EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

FT No. 31,191

Thursday July 5 1990

Φ D 8523A

POLLUTION
How legally liable are producers of waste?
Page 8

World News

Doe rejects US offer of help to flee from rebels

Beleaguered Liberian leader Samuel Doe met the US ambassador in Monrovia but Washington said he turned down an offer of help in escaping from rebels who have cut off his capital. Page 5

Iran toll lower
Iran's earthquake toll was below 34,000 and lower than had been feared, President Hashemi Rafsanjani said. Earlier, Foreign Minister Ali Akbar Velayati had put the figure at 50,000.

Mandela progress
Nelson Mandela and British Prime Minister Margaret Thatcher made unexpected progress during talks in London despite their continuing disagreement over sanctions. Page 14

Tirana tense
The Albanian capital of Tirana was under tight police control after riots earlier in the week. Bonn sent medical help to 84 Albanians who are sheltering in its embassy.

Israel warned
The Soviet ambassador to the United Nations said Moscow would block the exodus of Soviet Jews to Israel if Israel failed to provide firm guarantees they would not be settled in occupied Arab land.

Hijack foiled
A 30-year-old bookshop saleswoman was overpowered when she tried to hijack a Soviet airliner to Turkey by brandishing a fake bomb.

Hope for hostages
A hint that 300 Shia Moslem prisoners held by pro-Israeli militiamen in southern Lebanon could be released soon has raised hopes for western hostages in Lebanon. Page 5

Cyprus applies to EC
Cyprus applied to join the European Community but Turkey said the application was invalid since it was made without the approval of Turkish Cypriots. Page 3

Kenyan arrests
Two former Kenyan cabinet ministers were arrested in Nairobi after they had bowed to government warnings and called off a pro-democracy rally. Page 4

Threat to whales
Japan, Norway and Iceland want a return to commercial killing of whales later this year. Page 3

French nuclear test
France exploded a 35-kiloton nuclear bomb at its underground Pacific test site, the second test in just over two weeks.

Venice clean-up
Boats cleared stinking slime from the Venice lagoon as hot weather brought the first signs of an algae threat that could hit Italy's tourist industry for the second summer running.

CFC gas escapes
Three tonnes of CFC gas, which depletes the ozone layer, escaped from a nuclear research station in Oxfordshire, England, three weeks ago, it was disclosed.

Diplomats ousted
Cuba said Panama had ordered the Cuban embassy in Panama City to reduce its staff to four diplomats. The others were given 10 days to leave.

Seal cull halted
South Africa put off plans to cull 30,000 seals after protests by animal lovers.

Wrong slant
The Leaning Tower of Pisa was closed six months ago for urgent repairs – but nobody has yet turned up to fix it. Pisa officials blame the delay on rivalry between two government departments.

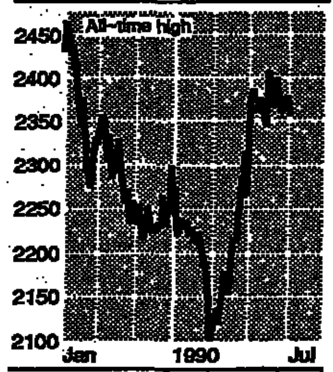
Business Summary

Tight terms for German bond issue disappoint

The German Unity Fund, the West German government's vehicle for financing the restructuring of the East German economy, disappointed international markets by setting tight terms for its initial bond issue. The terms mean that interest is likely to be confined largely to domestic investors. Page 15

FT-SE Index was 19 points down at 2,352.7 at its lowest point, at mid-morning amongst widespread falls in UK equities. London Stock Exchange, Page 27.

FT-SE 100 Index



In Tokyo, the Nikkei index finished up 31.32 at 32,445.92. In Europe, financial stocks boosted Frankfurt and Zurich while Madrid's general index passed the 300 level. Wall Street was closed for Independence Day. Markets, Back Page, Second section; Analysis, Lex, Page 14

JAPAN said the US would not be permitted to raise new issues in talks reviewing agreements reached under the Structural Impediments Initiative on bilateral trade. Page 14

BANK of MEXICO has acknowledged it is printing bank notes for Peru. Page 3

NORTHWEST Airlines, fourth largest US carrier, is exploring a bid for Eastern Air Lines, the seventh largest. Page 15

SOUTH AFRICA government inquiry into the position of marginal-profit mines has recommended state assistance only when in the national interest. Page 4

SIEMENS, West German electrical and electronics group, will have 91 per cent of the voting shares in Nixdorf. Page 16; Lex, Page 14

ROYAL Insurance, largest UK composite insurer by premium income, is to withdraw from the *Massachusetts* motor insurance market. Page 3

LUFTHANSA, 51 per cent state-controlled West German airline, has recorded "disappointing" earnings for the first quarter of 1990. Page 18

KOKUSAI KOGYO, Japanese company at the centre of a stock trading scandal, saw four former employees indicted on tax fraud charges. Page 4

ARGENTINA'S planned privatisation of Aerolineas Argentinas, national airline, appeared on the brink of collapse after KLM, Dutch airline, withdrew from the tender. Page 19

WEST GERMAN trade surplus *for the first five months of the* year has just outstripped the surplus for the same period last year, reaching DM56.5bn ($33.6bn). Page 2

TRYGG-HANSA, Swedish insurance company, and Eesti Kindlustuse, Estonian national insurance company, will provide advisory services for joint venture investments in Estonia. Page 19

BANK OF New Zealand has cut staff in its Australian operations and restructured to concentrate on consumer banking. Page 19

INDIA will allow Indian Airlines, domestic carrier, to resume flights by its fleet of Airbus 320s, grounded since *a crash in February*. Page 4

England goes home early to World Cup misery

By **John Wyles** in Rome, **David Marsh** in Bonn and **Emma Tucker** in London

MOST of England closed down early last night as thousands of people from the factory floor to the city dealing room rushed home early, largely with the connivance of employers, in time for the World Cup semi-final between England and West Germany in Turin.

England's hopes of a place in the World Cup final for the first time since 1966 were dashed after a defeat by West Germany in a penalty shoot-out.

In Germany the new-found patriotism was best expressed in the headlines of the daily newspaper Bild, which ahead of the match, forecast: "Goodbye England."

Certainly the match had all the expectations of being as thrilling as when the two countries met in the 1966 World Cup final.

But there was nothing to rejoice about for Italian fans. The day had dawned with the desperate hope that the previous night, when Argentina had blasted their way into Sunday's final on penalties, had all been a bad dream. Surely Toto Schillaci would still be speeding the ball into the opposition net on Sunday evening to guarantee the "Azurri" their World Cup and the Italians those days of national rejoicing which they had been anticipating?

Instead, the banner headlines piteously proclaimed the awful truth: "Italy, the dream is finished," (La Repubblica); "Goodbye World Cup" (Il Giornale) and, with a ruthless piquancy, "Maradona Wins" (La Stampa).

Losing to Argentina was justifiably, as one radio commentator affirmed yesterday, a cause for "national mourning," above all because the defeat was masterminded by the diminutive Diego Maradona. After five years with the Naples team, his angel face and spectacular talents are so revered in that most complex of Italian cities that there were genuine doubts as to whether the local supporters would fully commit themselves to the Italian tricolour on Tuesday.

The surprisingly large number of empty seats in the San Paolo stadium suggested that many Neapolitans chose to cope with the ambivalence of their feelings in front of the television set.

Knowing his Italy better than most, Diego had selected the wound most in need of salt on the eve of the semi-final when he reminded Neapolitans that for one day this year Italy would expect them to be Italians, and then they would be disowned and despised for the remaining 364.

The statement was as truthful as provocative because for nearly a month football has stamped a traditionally infrequent but always heady sense of nationhood on Italy.

Now the sport, if that is what it is, must resume its function as the expression of ferocious local rivalries and Continued on Page 14

LETTER TO SOVIET LEADERSHIP

Gorbachev warned of military's coup threat

By **Quentin Peel** in Moscow

A STRONG warning of a potential military dictatorship in the Soviet Union was issued in Moscow yesterday by a group of 47 prominent politicians, scientists and army officers.

In an extraordinary letter, by far the most outspoken attack on the military establishment to date, it was suggested that some form of coup might result from a military alliance with anti-perestroika forces.

It came as President Mikhail Gorbachev was struggling to prevent a conservative majority, including many military personnel, from dominating the crucial national congress of the Soviet Communist Party.

His plans for a radical overhaul of both the policy and structure of the ruling party were in the balance as speakers roundly attacked the collective party leadership and their failure to provide ideological direction and measures to tackle the country's economic crisis.

The growing conservative backlash from the full-time bureaucrats of the Communist Party, and within the military establishment, has now focused on Mr Gorbachev's whole strategy to switch to a market economy.

That in turn brought a passionate defence of economic reform from Dr Leonid Abalkin, its chief architect, who warned that the Communist Party would be swept aside if it stood in the way of the process.

The letter from the 47, published in Komsomolskaya Pravda, the radical newspaper, was addressed to the "leadership of the nation.

"It is only our profound concern for the fate of our fatherland, and nothing else, which has forced us to address this letter to you," it said.

It went on to warn that the rising tide of military criticism "has left the progressive public in this country with one feeling: dictatorship is knocking at the door."

The group included such prominent figures as Dr Georgy Arbatov, a leading foreign policy adviser and head of the USA and Canada Institute, Dr Tatyana Zaslavskaya, the sociologist and an early theorist of perestroika, Professor Yuri Ryzhov, head of the Moscow Aviation Institute, as well as serving army officers and veterans of the Afghanistan civil war.

In spite of the improved international climate, and the decrease in east-west tension, it said that "the militarisation of the Soviet economy continues, accompanied by the politicisation and ideologisation of the armed forces.

"There are visible signs of a growing alliance of the military bureaucracy and conservative forces in the country," especially at the recent founding congress of a new Russian Communist Party, the letter said.

The 47 then go on to attack the military establishment for blocking genuine reform of the armed forces, disguising their true budget and refusing to abandon their privileges.

"It is with deep concern that we would like to draw attention to the regular use of the army for purposes not in keeping with the constitution, which raises a serious question: whose side will it take if new collisions arise in society?

"What will be the orders of army generals, who will surely take care of their privileges, and powers unrestricted by the law?"

The 47 called for the military to be brought urgently under the direct control of the Supreme Soviet, the national parliament, including the Ministry of Defence.

They also called for an immediate transfer of Rbs500m from spending on military technology to social spending on the troops.

A critical problem is the lack of decent housing for troops returning from eastern Europe.

They demanded a ban on the activities of any political party in the army and other security forces (including the KGB) – a question already roundly rejected by the Communist Party congress.

The armed forces should also be banned from "functions which are not in line with their real tasks," the letter said in a reference to the use of regular troops in riot control, instead of the Interior Ministry troops.

The letter is likely to cause a furious reaction from the military establishment, already acutely sensitive about its threatened position in Soviet society, and the growing clamour for further drastic cuts in the defence budget.

It may simply strengthen the determination of conservative forces in the ruling party to stamp their control on the party congress, and ensure that Mr Gorbachev, although unlikely to be opposed as party leader, would be heading a thoroughly conservative party leadership.

Rebellion boils up in Party's ranks, Soviet Congress warned over economy, Poll shows confusion on reforms among delegates, Page 2

Mikhail Gorbachev (right) chats with Uzbek Communist Party chief Islam Karimov at the Soviet Party Congress

US may restrict political activity of foreign groups

By **Peter Riddell** in Washington

THE US may impose restrictions on the political activities of local subsidiaries of foreign-owned companies, potentially profoundly affecting their ability to influence decisions and join in public debate.

The initiative, mainly aimed at the Japanese, is part of wider proposals intended to monitor and restrict the activities of foreign investors in the US. The proposals have, however, so far been mainly resisted by the Bush Administration.

Political contributions are an important way to secure access and lobbying in the US. At present, non-US citizens are prohibited from making contributions to election campaigns. US subsidiaries of foreign companies can do so, however, provided that they are mainly based in the US and that their Political Action Committees (PACs), which make donations, only raise money from US citizens.

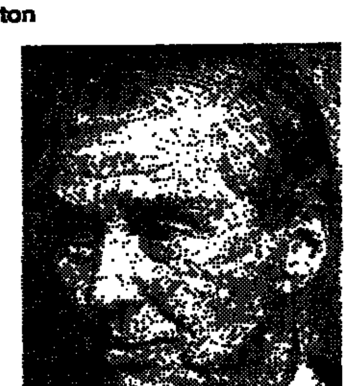
However, the Federal Election Commission, a government agency which regulates elections and fund-raising, has decided to prepare rules to ban US companies with 50 per cent or more foreign ownership from organising PACs to make contributions.

A similar legislative proposal has been made by Senator Lloyd Bentsen, Democratic chairman of the Senate Finance Committee. He said the present law allowed "foreign companies to buy into our political process by acquiring US subsidiaries."

The Congressional Research Service has estimated that $2.8m, or 5 per cent of the $56m contributed by all corporate PACs to federal campaigns in 1987-88, came from committees whose companies had "significant foreign ownership." This includes subsidiaries of Seagram of Canada, Shell Oil (part of the Anglo-Dutch group), BAT Industries of Britain, Carnation of Switzerland, Mitsubishi Heavy Industries of Japan, Toyota Motor of Japan, and Campeau of Canada.

Mr Brad Larschan of the Association for International Investment, a group opposed to such restrictions, noted the US demand that US companies in Europe be treated as European entities, in the context of the EC's 1992 process.

He said it would be "ironic that the US may not follow the same policy in dealing with foreign corporations here. By denying foreign-owned US companies the ability to influence the political process in the same way as US competitors, they are denied equal access to the political processes."



Bentsen: Muscle exerted from distant boardrooms

Nissan Diesel in joint venture to assemble trucks in Ireland

By **Kevin Done**, Motor Industry Correspondent, in London

NISSAN DIESEL, one of the leading Japanese truck makers, is planning to assemble medium duty trucks in Ireland in its first assembly venture in western Europe.

The medium and heavy truck industry has been one of the few sectors of the European motor industry left relatively untouched by Japanese imports and local assembly ventures.

European truck makers have long feared, however, that Japanese automotive groups would seek to penetrate the European truck market in the 1990s.

Nissan Diesel, which is 42 per cent owned by Nissan Motor, Japan's second largest car maker, said that it had signed a letter of intent for its trucks to be assembled by a newly formed joint venture in Ireland, to be called UD Ireland.

UD Ireland would be 30 per cent owned by Marubeni, the Japanese trading house, and 70 per cent owned by the Irish Westward group, which is currently the Irish importer/distributor for Scania trucks and is also engaged in car retailing.

Nissan Diesel said that it would not take an immediate equity stake in the venture, but this could follow at a later date.

The small-scale assembly venture would be located near Dublin and would aim to assemble up to 400 medium-duty trucks (eight to 15 tonnes gross vehicle weight) annually within three to four years. Nissan Diesel said that heavy trucks (above 15 tonnes) may be added later.

The company said that the venture would be aimed initially at supplying only the Irish domestic market. "There is no concrete idea to sell outside Ireland at the moment," it said in Tokyo yesterday, "but if everything goes well we might think of exporting to other countries from Ireland."

It said that the trucks would initially be assembled from CKD (completely knocked-down) kits exported from Japan, but eventually there would be some local content with a small percentage of components bought locally in Europe.

The only Japanese heavy truck assembly venture in Europe is also located in Ireland for the assembly of Hino trucks. Nissan Motor already produces light/medium trucks (3.5-13 tonnes gross vehicle weight) along with vans and other light commercial vehicles in Spain through its majority-owned subsidiary, Nissan Motor Iberica.

The Irish assembly of Hino trucks is handled by J.Harris Assemblers, a privately-owned company in Dublin, which holds the Hino franchise for both Ireland and the UK.

Aimed initially only at the Irish market, Hino trucks have also made significant inroads into some segments of the UK truck market in the last 18 months.

Hino has successfully penetrated the Irish domestic truck market, where it is the market leader with a share last year of 19.5 per cent. Hino sold 585 trucks in Ireland last year, while 510 were registered in the UK.

CONTENTS

Failing to break the cycle of ethnic violence in Sri Lanka

President Ranasinghe Premadesa (left) of Sri Lanka has been condemned for his policy of appeasement and his country's tragedy seems unending as civil war breaks out once again.
Page 4

MARKETS

STERLING
London:
$1.785 (1.7795)
DM2.9400 (2.9375)
FFr9.8575 (9.8625)
SFr2.4825 (2.48)
Y267.5 (269.0)
£ index 92.7 (92.3)

GOLD
London:
$362.5 (361.5)

N SEA OIL (Argus)
Brent 15-day Aug
$15.975 (16.025)

Chief price changes yesterday: Page 15

DOLLAR
The New York markets were closed yesterday for the US Independence Day holiday

Tokyo open: Y150.30
London:
DM1.6470 (1.651)
FFr5.5225 (5.5425)
SFr1.3910 (1.393)
Y149.8 (151.15)
$ index 65.9 (66.4)

STOCK INDICES
FT-SE 100:
2,355.6 (-16.2)
FT Ordinary:
1,861.1 (-13.6)
FT-A All-Share:
1,162.16 (-0.6%)
Tokyo: Nikkei
32,414.60 (+254.37)

LONDON MONEY
3-month interbank:
closing 14 $\frac{15}{32}$ (same)
Liffe long gilt future:
Sep 84 $\frac{15}{32}$ (84 $\frac{7}{32}$)

Farmers plan protests as Warsaw resists demands

By Christopher Bobinski in Warsaw

POLAND'S angry farmers are threatening to stage widespread protests next week as Mr Tadeusz Mazowiecki, the Prime Minister, prepares to unveil a cabinet reshuffle tomorrow in a bid to improve the Government's image.

The government changes are expected to include the dismissal of Mr Czeslaw Janicki, the farming minister, and the removal of many of the non-Solidarity members of the cabinet brought in last autumn as a compromise with the then established parties, including the Communists.

Critics of Mr Mazowiecki's moderate policies grouped in the Centre Agreement, a right-of-centre Solidarity faction, have been demanding such a purge as part of their drive to have Mr Lech Walesa, the Solidarity leader, elected president.

On Saturday farmers' representatives are to meet the Government over their demands for minimum guaranteed farm prices, preferential interest rates on loans and high customs tariffs on imported food.

The Government has said that concessions on these points would mean the end of its International Monetary Fund-approved stabilisation programme. But failure to agree the farmers' demands means that their leaders, Rural Solidarity, under pressure from the rank-and-file, will go ahead with protest actions including roadblocks throughout the country at key intersections.

"We built our farms from nothing and we know how much effort this cost us," said one farmer, adding that Mr Leszek Balcerowicz, deputy prime minister in charge of the economy, was now saying that he would "destroy the farmers and start again from the beginning".

Poland's 2.5m farmers are nearing the end of a year in which they have seen incomes severely squeezed by the rising cost of credit, fertilisers and machinery, with farm prices held back by falling demand for food.

At present 40 per cent of the country's dairy industry is already in the throes of bankruptcy procedures, the rest is on the verge of financial collapse and farmers in many places have not been paid for their milk deliveries for a month or more.

At the same time the forthcoming grain harvest promises low grain prices and indeed could see the state procurement companies refusing to take delivery as the silos are half full with domestic as well as imported grains.

Farmers are particularly incensed at aid shipments of grain from the west which are still arriving. So far this year Poland has received $140m worth of western food aid.

Soviet congress warned over economy

By Leyla Boulton in Moscow

THE Soviet Government's chief strategist for economic reform, Dr Leonid Abalkin, warned the Communist Party yesterday that it would be swept aside if it stood in the way of a market economy.

In a passionate address to the Communist party congress, Dr Abalkin said the party which has ruled the country for 73 years had failed socialist ideals in every respect.

"We did not build socialism and we never lived in conditions of a socialist society," he told a largely hostile audience which tried to clap him into silence.

"If we want to have an efficient economy ... if we want to have shops full of a wide range of high quality goods, if we want to get rid of the disgrace of queues and speculators, if we want sufficiently powerful incentives for people to work, then we have no choice other than a market economy,3 he said, his voice cracking with emotion.

Dr Abalkin, a deputy prime minister responsible for economic reform, appeared at the podium yesterday in an unmistakable attempt by the Government to sway delegates' overwhelming hostility to market economics.

Saying that there were various models for building socialism, Dr Abalkin told delegates that a system which had failed to feed its people and lacked any democratic institutions could not be called socialist.

The party's future, he said, was tied to its ability to lead the "historic struggle" for reform, and to make socialist ideals a "factor of stability in society".

After pausing briefly as delegates began the slow clapping with which they have on several occasions tried to silence unpopular speakers, he said the country needed markets "which had been used for centuries" to secure social well-being.

He then delivered his coup de grace with a warning: "Any party which tries to stand in the way of progress will inevitably be swept aside in this historic battle and suffer defeat.

"I'm sure the congress will have enough wisdom, calm and confidence to make the right choice."

Earlier, he made his warning even more immediate in an interview with the Interfax news agency.

The agency quoted him as saying that if the party rejected the Government's economic reform programme, then the cabinet would treat it just like any party in a multi-party system.

On Tuesday, Mr Mikhail Gorbachev, the Soviet leader, suffered a humiliating blow to his prestige at the congress when delegates refused to allow the words "market economy" to be used to describe the congress's commission on economic reform.

Communist showdown in Moscow spills on to streets

A Soviet militiaman breaking up a street argument yesterday between a communist supporter, left, and an anti-communist

Poll shows confusion on reforms among delegates

By Quentin Peel in Moscow

CONFUSION about the crisis in Soviet society, disagreement on fundamental measures of economic reform, and concern about the splits in the Communist Party are the dominant themes emerging from an opinion poll of delegates to the 28th party congress.

Stark contradictions between conservative and radical wings in the party show how hard it will be for President Mikhail Gorbachev to prevent a split, if not at the congress, then in the months to come.

On having a private sector in the economy, 12 per cent of delegates believed it should be totally banned, 11 per cent said it should dominate the economy, and 73 per cent thought it should play "a minor role".

As for the Government's programme of economic reforms and crisis measures, 52 per cent said it was no more than half-measures, 25 per cent feared it might lead to chaos, and only 11 per cent believed it might "radically improve economic performance".

The poll was carried out by the congress's sociological service, organised by the Central Committee, and clearly provides essential input to the party leadership in deciding its congress strategy.

But in this case, it suggests more confusion than coherence. The overwhelming concern about the state of the party, and the collapse of its Marxist-Leninist ideology, was shown by the fact that 62 per cent of delegates said the inner-party situation was the "social problem" of greatest concern.

As for the major factor accounting for "society's crisis at the time of perestroika", the largest proportion – 44 per cent – blamed lack of "clear-cut theoretical targets of social development". As many as 35 per cent said people no longer believed in perestroika, while 33 per cent said political reforms had been inconsistent.

The only reassuring item was that no fewer than 81 per cent said priority consideration in government policy should be given to the individual, while 24 per cent said priority should also go to the "state as a whole". On international relations, 50 per cent said they felt the foreign policy changes "only partially" met Soviet interests. Some 14 per cent said they did not meet Soviet interests at all.

Rebellion boils up in party's ranks

By Quentin Peel in Moscow

A CONCERTED rebellion against most of the top echelon of the Soviet Communist Party leadership – with the continued exception of Mr Mikhail Gorbachev himself – is boiling up from the floor of the 28th party congress.

Deep bitterness and disillusion at the failure of the party leadership to provide ideological and practical support to the party organisations across the country is likely to result in a decimation of the ranks of the ruling central committee, and the Politburo itself, close observers of the congress believe.

So far the prime target of the critics has been Mr Vadim Medvedev, party secretary for ideology, and one of Mr Gorbachev's key aides.

He was accused yesterday by Mr Nursultan Nazarbayev, leader of the Kazakhstan Communist Party, of "demoralising the party forces." Another speaker ridiculed him as "a figure from a cartoon film."

Yet Mr Medvedev was only the most obvious object of an assault which included the entire Moscow leadership, and by implication Mr Gorbachev himself, although no one dared to draw that conclusion.

Another provincial party leader, Mr Stanislav Gurenko, the newly-elected boss of the Ukrainian Communist Party, attacked not only Mr Medvedev, but also Mr Alexander Yakovlev, Mr Gorbachev's closest ally in designing the strategy of perestroika, as the two men to blame for the collapse of the party's ideological function.

Speaker after speaker denounced the performances of leading members of the Politburo, whether they made good speeches or not. At a press conference yesterday, members of the Belorussian Communist Party delegation expressed scepticism about whether many of the Politburo would survive the congress – with the repeated exception of Mr Gorbachev.

"I have no doubts about Mr Gorbachev," Mr Yefrem Sokolov, the conservative Belorussian leader, declared. "As for the other members of the Politburo, going on yesterday's reports I don't want to comment on this question at all."

The rest all agreed that neither Mr Medvedev nor Mr Georgy Razumovsky, party secretary in charge of personnel and administration – and another key Gorbachev aide – would survive.

The irony of the situation is that most of those under fire have been loyal aides and advisers to Mr Gorbachev and therefore he must be tainted by the criticism. Yet clearly the conservatives at the conference do not have any obvious alternative to the party leader and know also that he is the only unifying force left.

Trade surplus shows W German buoyancy

By David Goodhart in Bonn

THE WEST German trade surplus for the first five months of the current year has just outstripped the surplus for the same period last year, reaching DM56.5bn (£19.2bn) and underlining the buoyancy of the West German economy.

Most analysts expect that the medium-term effect of German unity will be a reduction in the surplus, but in the short term it seems to be having the opposite effect. The trade surplus in May rose to DM12bn, up from DM10.6bn in May last year.

However, on the current account balance, which includes services and other invisibles, the surplus is already starting to slip slightly. In May it was down to DM8.7bn from DM8.8bn and over the first five months it was more significantly reduced to DM43.1bn from DM48bn.

Further signs of continuing economic health are shown in the industrial production figures for May and the unemployment figures for June. Industrial production rose 2 per cent over the previous month, although only after the April figure had been revised down by 2 percentage points. April and May together rose by 4.2 per cent compared with the same period last year.

The June unemployment total was 1.81m, or 6.9 per cent of the workforce. After economic union on July 1, the category of *Ubersiedler* (East German refugee) ceased to exist, along with the camps that housed them, and the various benefits they could claim to ease integration.

However, the inflow of *Aussiedler* (people of German origin from other parts of eastern Europe) continues and in June reached its highest ever monthly figure of 52,400. Unemployment among *Aussiedler* is now 144,000, while among former East Germans it fell sharply to 90,000. Unemployment in East Germany now stands at 142,096.

● A Belgian businessman, Mr Andre Leysen, is among the first batch of industrialists to accept a position on the supervisory board of the *Treuhand*, the trust body charged with privatising East German industry.

Takeovers in East criticised

By David Goodhart

THE East German postal, telecommunications and rail services should be privatised and "anti-competitive" takeovers by West German companies in East Germany should cease at once, according to the annual report of the West German Monopoly Commission.

The Commission, an advisory body, is especially critical of the West German authorities for allowing the takeover by Allianz of the East German insurance industry but also singles out for criticism Lufthansa's deal with Interflug and Daimler-Benz's takeover of East Germany's main lorry producer.

Mr Carl Christian von Weizsäcker, chairman of the Commission, said competition would be further damaged if the proposed takeover of the East German electricity supply industry by the three major West German utilities was allowed to go ahead.

He stressed that the chance to create a more competitive structure than West Germany's in several East German industries should not be discarded.

In overview, however, the Commission says that despite 2,574 takeovers and mergers in West Germany in 1988 and 1989, a doubling compared with the previous two years, the trend towards concentration is not yet a serious threat.

The most likely grounds for the recent concentration is the EC's open market of 1993.

The main fields of restricted competition in West Germany, according to the Commission, are transport and the media.

Greeks stage one-day strike over bill for longer hours

SEVERAL hundred thousand Greek workers staged a one-day strike yesterday, demanding withdrawal of a parliamentary bill to legalise longer shopping hours, part-time jobs, and an extra work-shift in factories, Kerin Hope writes from Athens.

The Greek Trades Union Federation had called a nation-wide strike, but the Industrialists' Federation said only 5 per cent of factory workers stayed away, while public transport was halted, banks were closed and traffic jammed the city centre.

Under the bill, which the conservative government wants enacted this month, state-controlled banks will be able to apply private-sector criteria for hiring employees and in salary scales. The bill is meant to boost growth.

Commission seeks common framework for energy supply

A FIRST step towards a common European policy on security of energy supply was taken yesterday by Mr Antonio Cardoso e Cunha, the Energy Commissioner, in a proposal that would create a common framework for the 12 different national policies, Lucy Kellaway writes from Brussels.

The Commission argues that with a single market in energy it would become less relevant for each country to look at security of supply from a domestic point of view.

Until now member states have jealously guarded their individual policies and have granted generous subsidies and special concessions to their energy industry. The Commission is proposing that a harder line should be taken with these subsidies, to ensure they are compatible with the single market.

Mr Cardoso hopes that a balance can be struck between the advantages member states get from extra security against the negative effects that subsidies have on European competition.

In particular, he is planning to impose a ceiling on the market share in electricity that a member state can reserve for its national players, and intends to freeze at present levels long-term subsidies.

The paper will be discussed by energy ministers in July.

Western donors extend aid programme

US Secretary of State James Baker (left) and Francisco Fernandez Ordonez, Spain's Foreign Minister, study their working papers

By David Buchan in Brussels

THE GROUP of 24 Western aid donors yesterday formally extended their assistance programme from two to six east European countries. But they came to no decision on help for the Soviet Union.

The question of aid for eastern Europe was discussed at a meeting of the foreign ministers from the G-24, which includes the 12 European Community nations plus Japan, the US and other smaller western countries.

They wound up their meeting with a communiqué that expressed interest in – as distinct from support for – the European Commission's idea of a new Ecu10bn (£7bn) financial safety net for eastern Europe and for its recently launched study into possible help for the Soviet Union.

Mr James Baker, US Secretary of State, said that while macro-economic stabilisation in eastern Europe should generally be left to the International Monetary Fund, there had been cases, such as currency stabilisation in Poland, when G-24 action had usefully complemented IMF operations.

Mr Douglas Hurd, UK Foreign Secretary, echoed worries about overlapping facilities for eastern Europe. The G-24 ministers responded to this Anglo-American scepticism by telling the EC to refine its safety net idea further.

The possibility of broad western aid for the Soviet Union edged closer with yesterday's communiqué, in which the Commission promised to inform the G-24 countries of whatever Soviet aid proposals it came up with. Last week's EC Dublin summit charged the Commission to produce such proposals.

Mr Baker reiterated US objections to unconditional aid to a superpower still spending 18 to 25 per cent of its gross domestic product on arms and funding certain anti-American regimes around the world.

But he said Washington wanted perestroika to succeed and so the debate was really over "what sort of conditionality" should be tied to aid. The US would not stand in the way of its allies giving Moscow aid, he added.

The fluidity of the G-24 exercise was underscored yesterday when Mr Baker expressed "great concern" about rising internal tensions in Yugoslavia, especially in Kosovo province. In fact by yesterday's decision, Yugoslavia, along with Czechoslovakia, Bulgaria and East Germany, is now in the G-24 aid programme that has so far raised about Ecu11bn for Poland and Hungary.

Romania remains excluded from the aid programme, but Mr Frans Andriessen, the EC Commissioner who co-ordinates the effort, said "the door is open" to Bucharest once democracy is assured there.

Historic task for Nato summit

Robert Mauthner on the western alliance's search for a new strategy

THE NATO summit opening in London today has been billed as the most important in the western alliance's 41-year history. That is hardly an exaggeration, given that it has either to adapt to circumstances totally changed from the Cold War atmosphere in which it was created, or be condemned to follow the path the Warsaw Pact seems to be taking and disappear.

The summit, called to conduct a fundamental policy and strategy review in the aftermath of the east European political revolutions, will have two objectives. First, western leaders realise that to lay the groundwork for the new east-west co-operative framework which everyone supports, they will have to send a clear message to the Soviet Union that Nato is prepared to change its dominantly military spots.

That message needs to be all the more persuasive since it will be calculated to persuade Moscow that a united Germany should remain a member of Nato, which the Russians have so far refused to accept. The western argument – that such a solution would be in the Soviet Union's interest, since it would prevent Germany from acting as a "loose cannon" in the centre of Europe – has not been lost on the Russians. The latter have made clear, however, that they need to be reassured that Nato will be a different animal from the war machine they have always considered it to be.

The Nato leaders' second objective is that the principal purpose of the alliance – the collective defence of the 16 member countries – continues to be ensured. All members recognise the need to assure that defence with fewer troops and armaments than today and that the prospect of either a conventional or nuclear attack by the Soviet Union in present circumstances is minimal. Yet most of them do not believe that such a threat has vanished altogether and feel therefore that the west's guard must not be lowered completely. Even after the unilateral withdrawals from eastern Europe and the completion of conventional and nuclear arms control talks, the Soviet Union will remain a military superpower.

Mr Richard Cheney, the US defence secretary, yesterday warned members of the Nato alliance against complacency over the recent positive developments in east Europe and in conventional arms talks, Karen Fossli writes from Oslo.

He suggested in Oslo that the recent relocation of Soviet airforces from central Europe to the Kola peninsula to the north-east of Norway may have been a means of circumventing any future Conventional Forces in Europe treaty.

The task of the alliance leaders will be to combine these two prerequisites – the adoption of a constructive attitude to building a new European security order and an effective, if modified defence posture – in a potion which will taste like an elixir to the Russians, while not poisoning some of the more hard-headed Nato members.

The alchemy, it is confidently expected, will be achieved by a political commitment to strengthening such pan-European organisations as the Conference on Security and Co-operation (CSCE), further negotiations to reduce both conventional and nuclear arms and a judicious rephrasing of Nato's military doctrine to give it a less "offensive" ring – in both senses of the word. The political message from Lancaster House is likely to be very similar to that sent at the beginning of last month by Nato Foreign Ministers from Turnberry in Scotland.

But there are a number of additional sweeteners to please Moscow, such as the willingness of Nato countries to sign a joint declaration with Warsaw Pact members (though not on a pact-to-pact basis) on their mutual peaceful intentions.

Agreement between Nato countries on the political message to be sent to the Soviet Union, however, is not entirely echoed by a consensus on military doctrine. West Germany is anxious that nothing in Nato's military posture, nuclear doctrine or arms control policy should upset Moscow or its own public opinion and thus hinder its rush into unification.

Britain, though it has not modified its stance on the need for tactical nuclear weapons of one kind or another to be stationed in forward areas in Europe, has agreed not to press its case until German unification and German Nato membership are in the bag.

France remains strongly opposed to suggestions that Nato should assume any "out-of-area" responsibilities. It also opposes Nato acting as a single unit within the proposed new institutions of the CSCE.

President George Bush, in close consultation with the Germans in particular, has come up with a package which, he hopes, will please the Russians while not aggravating disagreements within the alliance. His proposal that Nato's 30-year-old flexible response strategy be modified so that nuclear arms become "weapons of last resort" is a work of semantic genius. It sends the right political signal to Moscow, while not in fact changing the "first use" doctrine, under which Nato reserves the right to use nuclear weapons when conventional forces are unable to resist an attack.

Nato leaders will offer further evidence of their non-aggressive intentions by approving President Bush's proposal to withdraw nuclear artillery shells from Europe and repeating their desire to open negotiations on reducing short-range nuclear forces (SNF) in Europe as soon as a conventional forces agreement is reached in Vienna. Yet, at the same time, they will doubtless repeat their intention to maintain "an appropriate mix of conventional and nuclear weapons".

The decision on what that mix will be and whether it should contain new tactical air-to-surface missiles (TASMs) to be based, among other countries, in Germany, will not figure on the agenda. That, after all, is not the kind of news that would make Moscow drop its opposition to German Nato membership.

The Financial Times (Europe) Ltd
Published by the Financial Times (Europe) Ltd., Frankfurt Branch, (Guiollettstrasse 54, 6000 Frankfurt-am-Main 1: Telephone 069-75980; Fax 069-722677; Telex 416193 represented by E. Hugo, Frankfurt/Main, and, as members of the Board of Directors, R.A.F. McClean, G.T.S. Damer, A.C. Miller, D.E.P. Palmer, London. Printer: Frankfurter Societaets-Druckerei-GmbH, Frankfurt/Main. Responsible editor: Sir Geoffrey Owen, Financial Times, Number One Southwark Bridge, London SE1 9HL. The Financial Times Ltd, 1990.

Registered office: Number One, Southwark Bridge, London SE1 9HL. Company incorporated under the laws of England and Wales. Chairman: D.E.P. Palmer. Main shareholders: The Financial Times Limited, The Financial News Limited. Publishing director: B. Hughes, 168 Rue de Rivoli, 75044 Paris Cedex 01. Tel: (01) 4297 0621; Fax (01) 4297 0629. Editor: Sir Geoffrey Owen. Printer: SA Nord Eclair, 15/21 Rue du Caire, 59100 Roubaix Cedex 1. ISSN: ISSN 1148-2753. Commission Paritaire No 67808D.

Financial Times (Scandinavia) Ostergade 44, DK-1100 Copenhagen-K, Denmark. Telephone (01) 13 44 41. Fax (01) 935335.

INTERNATIONAL NEWS

Nicosia applies to join EC on behalf of all Cyprus

By David Buchan in Brussels and Jim Bodgener in Ankara

CYPRUS yesterday delivered its long expected application to join the European Community, saying that this reflected the Mediterranean island's European destiny and values.

The application, in a letter to Mr Gianni De Michelis, the Foreign Minister of Italy – which now holds the EC Council presidency – is for EC membership of the whole island.

Mr George Iacovou, the Greek Cypriot Foreign Minister, said he hoped that the Turkish Cypriot community on the northern part of the island would take the entry bid positively and that Turkey would see the "inconsistency" of trying to join the EC itself while denying that right to Cyprus.

However, Mr Ali Bozer, Turkey's Foreign Minister, described the application as completely invalid legally and politically on the grounds that it was made without the agreement of the Turkish Cypriots. Mr Bozer, at a Group of 24 meeting in Brussels, said Turkey had supported opposition to the application from Mr Rauf Denktash, the Turkish Cypriot leader, before its submission. It would create serious problems for settlement talks between the Turkish and Greek Cypriots, he said; these are expected to restart later this summer.

It was unclear yesterday whether EC foreign ministers would use their next regular meeting on July 16-17 – at which Malta is also likely to apply to join – to invite the Commission to prepare an opinion on the Cypriot application, or leave until September a request for the Commission to start work. The Commission is expected to take about two years to produce its opinion.

Legally, the EC, like all governments bar Turkey, recognises only the Greek Cypriot government of Nicosia and insists its agreements with Cyprus, dating back to 1973, should benefit the whole island. But EC officials concede problems in "the Nicosia government asking for membership for the whole island, but exercising control over only part of it".

Papandreou's cabinet tried to defraud EC

By Kerin Hope in Athens

A FORMER Greek Foreign Minister admitted yesterday that he and five other cabinet ministers in the Socialist government of ex-Prime Minister Andreas Papandreou jointly covered up an attempt by Greece to defraud the European Community.

Mr Karolos Papoulias told a special court trying one of the former ministers that the cover-up of an illegal maize sale was "in the country's best interests."

"It's a routine practice among EC member-states," he asserted. "Some countries believe their economies will be destroyed if they don't do it."

A former Deputy Trade Minister, Mr Nikos Athanassopoulos, is being tried for his part in defrauding the Community of $2.5m in countervailing duties by declaring that a shipload of Yugoslav maize sold to Belgium was of Greek origin. Mr Athanassopoulos is the only former government member to be tried in connection with the corn scandal. Twelve civil servants face similar charges.

Mr Papandreou and five other members of his administration have been indicted in connection with financial and wiretapping scandals. Their trial dates have not been set.

An EC inspector testified last month that Mr Athanassopoulos blocked an inquiry into the scandal in 1986. The trial began on May 28 and is expected to last several months.

Rome uneasy over banking competition within EC

By John Wyles

THE unease within the Italian Government and banking industry about the financial sector's readiness to face free competition within the European Community was strongly in evidence at the annual assembly yesterday of the Italian Bankers' Association.

Mr Piero Barucci, the association's president, Mr Carlo Azeglio Ciampi, the governor of the Bank of Italy, and Mr Guido Carli, the Treasury Minister, all placed unusually strong emphasis on the risks which lie ahead and the continuing absence of a coherent strategy for dealing with them.

Mr Barucci saw difficulties in bringing Italian interest rates down to average EC levels, a tougher period ahead for Italian banks because of their new freedom to open branches without prior administrative approval, and also new risks in a recent decision to allow banks to take control of insurance companies. He called for rapid passage by the parliament of laws which will allow for bank restructuring, reform of the stock market and the regulation of financial intermediaries.

Mr Carli acknowledged the necessity of these laws but worried about their mutual compatibility after parliament had introduced a variety of conflicting amendments to the draft legislation. For this reason, he intended to seek delegated approval from parliament which would give the government powers to "reorder" the legislation on bank and non-banking financial intermediaries.

Mr Ciampi again stressed the need to bring Italian inflation – currently at an annual average of 5.6 per cent – down to average EC levels.

The lira's entry into the narrow band of the Exchange Rate Mechanism required "coherent behaviour" across the economy from government to companies and trade unions, aimed at curbing the growth in domestic prices. The Governor also expressed some concern about the fall in Italian banks' capital ratios from 12.7 per cent to 10.3 per cent at the end of last year.

Three nations press for commercial whale kills to start again

By Ronald van de Krol in Noordwijk

IF JAPAN, Norway and Iceland have their way, commercial whale-killing will be allowed again from late 1990, ending a four-year worldwide ban seen as one of the greatest victories for wildlife conservationists in the 1980s.

The three nations are pressing for limited return to commercial whaling at the 42nd annual conference of the International Whaling Commission (IWC), being held this week in Noordwijk, near The Hague.

The conference pits Japan, Norway and Iceland against other governments and environmentalist groups who argue the world's whale population is still too vulnerable to let commercial hunting go ahead again. Japan, Norway and Iceland need the backing of three-quarters of the 29 countries at the conference to resume commercial hunting. Their chances of winning quotas this year are slim.

Greenpeace, the environmental group, says the conservationists are confident of victory. But they have been surprised by the forcefulness of the pro-whaling nations' efforts. These hint they may leave the IWC if their wishes are blocked. Focus of attention is the minke whale, smallest of the great whales and the last to be hunted in the 1980s before "zero catch limits" went into effect.

Iceland wants to hunt up to 400 minke whales a year in the mid-Atlantic in the early 1990s. Norway wants to "harvest" up to 2,000 in the north-eastern Atlantic; Japan seeks a quota for minkes in its coastal waters and in the southern Antarctic. The debate revolves around how many whales are left in the world's oceans, and the effect of resumed hunting. The IWC's scientific committee believes there are about 760,000

Conservationists are surprised at the forcefulness of the pro-whaling nations

minke whales in the southern hemisphere, but there is less agreement on the number of minkes in the Atlantic.

The whaling moratorium, first agreed in 1982, was introduced in 1986 but only effective in 1988, when Japan lifted its objections. Since 1986, all three countries have conducted scientific killings of whales to compile data. The Soviet Union recently announced plans to kill 200 whales for research. Conservationists call these killings commercial "harvesting" in the name of science. Lobby groups outnumber national delegations two to one at the conference. Outside, Greenpeace has three plastic whales marked "Stop the killing". Inside, Norwegian fishermen demand the right to hunt minke whales.

Bank of Mexico wins lucrative contract to print Peru banknotes

By Richard Johns in Mexico City

THE Bank of Mexico has acknowledged that it is printing bank notes for Peru, which could be a lucrative business given the South American country's 2,200 per cent inflation rate.

Fabrica de Billetes, an affiliate of the Central Monetary Authority, has an initial contract to print 40m bills of 100,000 Inti denomination and a further 40m notes of 500,000 Inti.

El Comercio, a Peruvian newspaper, recently reported that Fabrica de Billetes had bid $26.60 for every thousand notes printed, compared with an average bid of $42 from European printers.

The Mexican money-printing press is not revealing the overall value of the initial contract, but it could be open-ended one depending on how successful the newly elected President Alberto Fujimori of Peru is in bringing down inflation.

Peruvian bank notes have been supplied previously from a variety of sources including Italy, Brazil and the UK, from Thomas de la Rue.

At the present rate of exchange, the 100,000 Inti note will be worth just less than one US dollar. So at a production cost under the Fabrica de Billetes tender of just over 2.6 cents, they will be worth more than the paper they are printed on.

Several months ago, however, when the Peruvian government introduced a series of 10 inti notes, by the time they reached the streets they already cost individually more to produce than they were worth.

The management of Fabrica de Billetes, surely mindful of the fact that at the peak of Bolivia's hyper-inflation the Latin American country's biggest imports were bank notes from Thomas de la Rue and that shoppers had to carry cases full of bills to the supermarket, must be encouraged at the prospect of business with Peru.

Moreover, with Mexico's monetary aggregates generally under control, it can be assumed that Fabrica de Billetes has considerable spare capacity.

Although inflation this year looks set to exceed the Government's projection of 15.7 per cent for the year – it will be nearer 25 per cent, according to the Centre for Private Sector and Economic Studies – the rate of price increases is considerably down from its high point of 159 per cent three years ago.

EC plans better tariff preferences for the Third World

By Lucy Kellaway in Brussels

THE mechanism under which the EC grants trade advantages to Third World countries is out of date and needs to be overhauled, the European Commission decided yesterday.

It said the Generalised System of Preferences – in operation for 20 years – had been made increasingly irrelevant by successive Gatt rounds, which had reduced the tariff levels and therefore reduced the advantages of the GSP.

The system had become increasingly complex to administer, was not transparent, and was of limited help to the poorest countries in becoming competitive, the Commission said.

However its proposals fall short of the wholesale review of the system demanded by some.

The Commission is suggesting that quantitive restrictions be phased out, opting for a more flexible system that takes account of the competitiveness of the country and the type of goods involved.

The Commission has also proposed extending the range of goods covered to keep step with the growing number of sectors falling under the Gatt umbrella and the increase of these products from Third World economies.

Brussels also wants to improve the rules of origin on the products that qualify.

Its suggestions will be put to trade representatives in Paris in September, although it said yesterday there would be no point in introducing a new scheme until the outcome of the Uruguay Round had became clear.

This would mean extending the present system into 1991, and bringing in the new arrangements the following year.

At the moment the benefits from the GSP fall unevenly, with 10 countries accounting for 70 per cent of the total benefit.

This amounted to Ecu1bn ($1.23bn) in 1988 in terms of reduced duties.

UK insurer quits a US market

By David Barchard

ROYAL Insurance, the largest UK composite insurer by premium income, is to withdraw from the Massachusetts motor insurance market, at a cost of $40m in exit fees to Massachusetts Commonwealth Automobile Reinsurers, the residual market association.

Royal has been losing about $10m a year for several years on its motor insurance business, which accounts for $53m of its $119m annual business in the state.

The deal with the Massachusetts authorities will allow Royal to continue to sell general insurance and life assurance in the state, and to spread the $40m payment over four years.

Insurance companies have found it difficult for several years to make a profit in the US motor insurance business because of rate regulation by the authorities and high levels of damages awards.

Royal's deal compares favourably with one negotiated in 1988 by another British insurance group, General Accident, which pulled out of motor insurance in Massachusetts but had to surrender its licence for other insurance activities in the state.

Mr Roy Randall, for Royal, said that despite the depressed state of much of the US motor insurance market, Massachusetts was the only state from which the group would withdraw.

"We are not contemplating withdrawing from California, but we shall be reducing our exposure to it. Our strategy is to concentrate on those states where we have the greatest potential for profit," he said.

Commercial Union, another British insurance group, is also considering quitting the Massachusetts market.

US defence chief goes private

MR CRAIG FIELDS, who was abruptly reassigned in late April to be deputy director of Defence Research and Engineering at the US Defence Department, is to head Microelectronics and Computer Technology Corporation, a US electronics industry research consortium, Louise Kehoe writes from San Francisco.

He is to join MCC as president, chief technical officer and chief operating officer next week.

S Africa inquiry backs limits on mine funding

By Philip Gawith in Johannesburg

A South African government inquiry into marginally profitable mines has recommended that state assistance only be given when in the national interest and when a mine is not dependent on assistance for its long-term viability.

The report comes on the heels of an inquiry into the ERPM mine's future, and at a time when the local industry is under considerable strain following a fall in the gold price from a February high of $423.

Although the price has recovered slightly in the past week, numerous operations remain unprofitable.

The committee of inquiry, chaired by Dr Org Marais, Deputy Minister of Finance, said if 13 marginal mines were closed over the next five years, 77,600 jobs would be lost.

The loss of total value-added would be equivalent to 3.6 per cent of Gross Domestic Product in 1989.

Although gold remains central to the economy, the committee's report noted that its relative importance as a contributor to GDP, and as an employer, taxpayer and exporter, had declined significantly over the past three decades.

According to the Reserve Bank, value added by gold was 6.1 per cent of GDP in 1989 and gold exports were 28.2 per cent of the country's total exports in that year.

On the basis of a profit-to-revenue ratio of less than 6 per cent for the six months to June 30 1989, the Chamber of Mines classified 13 mines as marginal.

These mines provided about 13 per cent of the country's gold production in 1989.

State assistance to the gold-mining industry dates back to 1918. Since the start of 1988 this has been on an ad hoc basis, with most aid in the form of general financial assistance and help with the pumping-out of "extraneous water".

The report also recommended that assistance should only be provided where there was evidence that mines were taking separate measures to address financial problems.

This might include negotiating with big suppliers for favourable treatment, responsible wage-determination and utilisation of futures contracts in gold and dollars.

It is also suggested that state assistance should be given indirectly – such as the state being a party to agreements between a mine and financial institution – with direct assistance limited to extreme cases and with strict conditions attached.

Mandela seeks to allay foreign investors' fears

By Michael Holman

GREATER state participation in the economy of a post-apartheid South Africa would be necessary unless other ways of improving black living standards and meeting expectations were found, Mr Nelson Mandela told a meeting of 250 British business leaders in London yesterday.

"We believe there will be a mixed economy, though we have no blueprint as to the make-up of that mix," the deputy president of the African National Congress said in a speech designed to reassure foreign investors.

Mr Mandela told the meeting, organised by the Confederation of British Industry, that private capital, both domestic and international, would have a vital role to play in the economic and social reconstruction of South Africa after apartheid.

"It will be critical that the economy grows rapidly and at rates that supersede population growth. This cannot happen without large inflows of foreign capital, including British capital," he said.

"We must have access to the management skills, the body of technology and the risk capital which make for the success of your own corporations in both the domestic and international markets. We are sensitive to the fact that as investors in a post-apartheid South Africa you will need to be confident about the security of your investments, an adequate and equitable return on your capital and a general climate of peace and stability."

But Mr Mandela went on to emphasise that an ANC government would seek "growth with equity".

A spontaneous "trickle down effect" would never be sufficient to redress the gross imbalances that were embedded in the South African economy. "The intervention of the democratic government... will therefore be necessary and inevitable."

He said the economy would have to be restructured. Although he did not elaborate on this in his prepared text, in a brief question and answer session that followed he made clear that imbalances could not be remedied simply through changes in taxation.

Mr Mandela stressed that the ANC approach to state participation – he did not use the word nationalisation – was "not dogmatic."

The party was aware of mistakes made elsewhere, would call on expert advice within and outside South Africa, and would not take unilateral action.

Kenyan rally called off

By Julian Ozanne in Nairobi

PRO-DEMOCRACY leaders in Kenya backed out yesterday of organising the first significant opposition rally in the country in the face of government warnings that the meeting could degenerate into a bloodbath.

Mr Kenneth Matiba and Mr Charles Rubia, two former cabinet ministers who are leading the campaign for a multi-party democracy, said they would not hold a mass meeting on Saturday because the government had refused to grant them a licence.

They also denied claims made by President Daniel arap Moi that they were plotting to have people indiscriminately shot at the rally and then blame the Government.

The statement comes amid mounting tension about the possibility of violent clashes but political observers believe that, people will still try to pack a meeting ground in one of the city's slum areas to demonstrate their support for a multi-party system.

Throughout the week Mr Moi has been strongly warning people not to attend the "illegal" meeting organised by "power hungry individuals".

He has also threatened that the police will use their full powers to protect state security.

In a lunch-time broadcast yesterday the president said he had been too lenient for too long and was now running out of patience.

Alberto Fujimori: honorary citizen

Peru's president-elect ends Japan tour on high note, but empty-handed

Fujimori proves a home-town hit

By Michiyo Nakamoto in Tokyo

MR Alberto Fujimori, Peru's president-elect and the son of Japanese immigrants, yesterday made a triumphant return to Kawachi-machi, a small town on the southern island of Kyushu which his parents left 60 years ago.

Ever since Mr Fujimori, a second-generation Japanese-Peruvian, entered the presidential race in Peru, the townspeople have been following his fortunes with as much interest and nervous concern as if he was one of their own. Following his victory in the presidential run-off early last month, "Fujimori fever" swept through the usually sleepy farming town.

The heavy rains that have hit Kyushu, claiming 27 lives in the past few days, were not about to prevent townsfolk turning out to cheer his "homecoming"; even the skies cleared for the first time after days of downpours.

As he arrived at the local airport in Kumamoto city, Mr Fujimori was greeted by a crowd of more than 100 citizens. His relatives, who still live in Kawachi-machi, were also there for the reunion.

The reception was warmer than in Tokyo where, despite attempts to play up his Japanese background, officials have responded cautiously to claims that the president-elect's ties with Japan would help him win Japanese financial assistance.

Mr Fujimori today winds up his five-day trip to Japan, during which he was received by Emperor Akihito. In meetings with Prime Minister Toshiki Kaifu, members of the Diet and Japanese industry, he repeatedly stated that he hoped to receive financial assistance from Japan in his first and most crucial task as president, namely rebuilding the Peruvian economy.

Japan suspended low-interest yen credits to Peru in 1984 when international financial institutions, such as the International Monetary Fund, cut off financial aid following the country's non co-operation in repayment of external debts.

The Japanese Government, however, failed this week to make any specific commitments other than a promise to send specialist missions to Peru to study measures for rebuilding the economy.

Senior officials have stated publicly that they cannot give Peru special consideration because of Mr Fujimori's Japanese background. The primary concern for Japan is that Peru co-operate with international institutions in working to resolve the problem of accumulated external debts.

The Tokyo cold shoulder, however, has not dampened enthusiasm in Kawachi-machi. Soon after Mr Fujimori's election victory the townsfolk decided to make him an honorary citizen – the first time the town has accorded such an accolade. Peru now looms large in the minds of local schoolchildren who yesterday waved the red and white Peruvian flag excitedly as they struggled to shake his hand.

This was Mr Fujimori's second visit to his parent's home town, but it was a very different kind of homecoming. On his last trip he was chided by his uncle for not taking off his shoes on entering the house, as custom and good manners require in Japan.

Rice price cut condemned by farmers' lobby

By Robert Thomson in Tokyo

THE Japanese Government was condemned yesterday by groups representing farmers over a proposed 1.5 per cent cut in the official price of rice and for indications that international pressure could force open the rice market.

But members of the Rice Price Council, which is supposed to set the price, criticised the Government for keeping it too high, and said the price setting process had been manipulated by politicians anxious about the farm lobby.

The 1.5 per cent cut, which lowers the producer price to Y16,500 (£62.26) for 60kg, will be the first in two years, and follows a decision not to reduce the price last year for fear of electoral losses by the ruling Liberal Democratic Party.

Mr Toshiki Kaifu, the Prime Minister, said yesterday the proposed cut was "reasonable" and was reached after "considering opinions from a variety of sectors", although the Rice Price Council is yet to give formal approval.

Some members of the council complained that the Government had changed the calculation formula in an attempt to minimise the cut, but found that the reduction was still too much, and settled arbitrarily on the more politically acceptable 1.5 per cent figure.

The lower price is likely to be sweetened for farmers by an increase in subsidies for production of "high quality" rice.

Rice is also a sensitive trade issue, with the US pressing Japan to lift an import ban as part of the Uruguay Round of multilateral negotiations under the General Agreement on Tariffs and Trade. The Japanese price is about seven times the world price, but the Government has argued that imports must be banned on the grounds of "food security".

But an opposition party and a senior member of the LDP have said the market will be prised openand officials are believed to have begun preparing proposals for very limited rice imports.

NEC launches fast computer

By Stefan Wagstyl

NEC, the Japanese electronics combine, yesterday launched a range of mainframe computers, which it claims are the fastest in the world.

The company claimed its machines would out-perform a model unveiled last month by Hitachi, a rival electronics group. The announcement will intensify pressure on other makers to bring out new machines, including IBM, the world market leader, which is developing a mainframe called Summit.

NEC said the top of the range model of the new range – the ACOS System 3800/60 – can process 500m instructions per second (MIPs), using six processing units. This compared with 155m instructions for the M880/420, the top model announced by Hitachi a month ago.

NEC said the ACOS 3800 was between 2.7 times and 3.8 times faster than its current top range the ACOS 1500. It plans to start shipping the ACOS 3800 models in April next year.

Four charged with tax fraud in stock scandal

By Stefan Wagstyl in Tokyo

FOUR former employees of Kokusai Kogyo, a Japanese company at the centre of a stock trading scandal, were indicted yesterday on tax fraud charges.

Mr Norio Ishibashi, the company's former treasurer, and three former colleagues were accused of evading taxes totalling Y910m (£3.4m) on profits made trading Kokusai stock during a hostile raid on the group in 1987 by Mr Mitsuhiro Kotani, head of a speculative investment syndicate. Mr Kotani later won control of Kokusai in a controversial takeover.

The Tokyo District Prosecutor's office alleges the four made profits on their own account using information about the bid gained from their work. The investigation has wide-ranging implications since Mr Kotani has links with senior politicians.

The prosecutors' office yesterday re-arrested Mr Ishibashi, aged 49, and Mr Yoshiaki Inoue, his 47-year-old former deputy in the financial department. They are alleged to have embezzled Y895m of Kokusai Kogyo's money.

According to the investigators, Mr Ishibashi and Mr Inoue originally co-operated with Mr Kotani in his effort to buy Kokusai shares. But they later fell out with him and decided to seek other investors in the hope of persuading them to buy shares to block a bid by Mr Kotani to corner Kokusai Kogyo's stock.

Prosecutors said the two had taken the company's money between February 2 and April 11 of 1988 and paid it to an unnamed political group leader and other investors. Mr Ishibashi resigned from Kokusai Kogyo on April 11 but between then and October 16 spent a further Y280m trying to get support for blocking Mr Kotani.

Koshin, an investment group headed by Mr Kotani, finally won control of Kokusai Kogyo in December 1988.

New Delhi steps up austerity drive

By K.K. Sharma in New Delhi

THE Indian cabinet has ordered fresh austerity measures after a review this week showed a shortage of resources and potential balance of payments difficulties.

The Finance Ministry has requested an across-the-board spending cut of 10 per cent from all government departments, focusing on administration. It is seeking to cut the budget deficit – which is showing signs of exceeding the projected Rs75bn – by nearly Rs40bn (£1.3bn).

Further cuts cover foreign exchange expenditure, the first in a series of curbs that will seek to reduce departments' foreign exchange spending. Reserves now cover less than two months' worth of imports, which would make it difficult to provide for emergencies.

Measures to conserve foreign exchange were introduced a fortnight ago; supplies of petroleum products to industry and other consumers were cut in an attempt to reduce crude imports by about 3m tonnes this year.

The Government has now announced that the foreign travel budgets of all ministries will be reduced by 20 per cent, imports of components will be cut by 10 to 15 per cent, and all foreign offices of agencies promoting foreign investment and trade abroad will be closed. In addition, some sections of the large Indian missions in London and Washington are to be wound up.

The immediate impact of the measures will be a nominal annual saving of Rs5bn in foreign exchange.

India lifts ban on flights by Airbus A-320s

By K.K. Sharma

THE Indian Government yesterday decided to allow Indian Airlines, the domestic carrier, to resume flights by its fleet of Airbus 320s, grounded since a crash at Bangalore airport last February.

The decision was taken after the cabinet accepted a report on the ability of Indian Airlines and Indian airports to fly the sophisticated fly-by-wire Airbus 320s.

Since the Airbus crash, there has been controversy over the Rajiv Gandhi government's decision to buy the aircraft after cancelling an order for Boeing 757s.

Indian Airlines has been losing about Rs25m (£830,000) a week since the grounding of the fleet.

The Government will now abandon its plan of last month to lease the 14 grounded Airbuses and sell four aircraft awaiting delivery.

The Government has given instructions that all the safety precautions recommended by the committee should be adopted and that no chances should be taken with the safety of passengers.

Accordingly, flight engineers are to be given refresher courses on the avionics systems of the Airbus 320 and maintenance support and infrastructure facilities are to be reviewed.

A court of inquiry is investigating the crash.

Zambia court spurns general's 'confession'

By Mike Hall in Lusaka

ZAMBIA'S high court ruled as inadmissable evidence yesterday a "confession" by Lt Gen Christon Tembo, a former army commander charged with treason for his alleged involvement in a 1988 plot to overthrow President Kenneth Kaunda's government.

The court ruled that the statement had been forcibly extracted by security officers while the general was being interrogated, that he had been denied medical treatment for his diabetes and that he had been traumatised by threats against his family.

The former army commander, charged with three other senior army officers, appeared relaxed but defiant yesterday as a heavily armed paramilitary unit surrounded the Lusaka court.

He described the recent unrest as "an indication of the peoples' feelings" when he talked to a reporter during a recess. The general was a popular figure in the army and analysts say many in the ranks are angered by his mistreatment.

Many civilians showed their support for him, shouting: "Kaunda out, Tembo in" during last week's anti-government protests. "I thank them for that... the struggle must continue," he said.

In the lower courts, more than 100 people accused of rioting and looting appeared under heavily armed guard to deliver their pleas. Thirty-four university students were also due in court.

An orthodox Jew yesterday confronts left-wing demonstrators protesting against the high number of Arab youths killed in Jerusalem since the Arab uprising started two years and eight months ago

Rabin seeks early leadership vote

By Hugh Carnegy in Jerusalem

MR Yitzhak Rabin yesterday called on the Israeli Labour Party to decide quickly on his bid to replace Mr Shimon Peres as party leader. He also warned of a dangerous stalemate in Middle East peace efforts under Israel's new right-wing government.

Mr Rabin, himself Labour leader and Prime Minister in the mid-1970s, said the party must "restore the credibility" of its leadership and seek to topple as soon as possible the narrow coalition headed by Mr Yitzhak Shamir, the Likud Party leader, offering the electorate a clear alternative to the Government's hardline policies.

Speaking to foreign reporters, Mr Rabin said he did not believe Mr Shamir's coalition could advance a stalled US-backed initiative to start Israeli-Palestinian talks on the occupied territories. "Without starting a dialogue with the Palestinians... nothing will move in the peace process."

"If the peace process remains frozen... we will see more and more an inclination among Arab countries – led by Iraq – to take more extreme political positions towards Israel."

Mr Rabin will today try to persuade the party leadership to set an early date for a leadership election in Labour's central committee. He believes the party is unelectable under Mr Peres, leader through four unsuccessful election campaigns. "There is no doubt that without winning potential voters of the moderate right we will not achieve (victory). This is one of the reasons why I'm a candidate for the leadership."

Kashmiris demand referendum

ABOUT 15,000 Kashmiris demonstrated outside a United Nations office yesterday, their Moslem festival day of Eid, demanding that India hold a referendum on the future of their state, Reuter writes from Srinagar.

The crowd gathered outside the office of the UN Military Observer Group in the state's summer capital Srinagar. They handed in a memorandum urging a vote on whether Kashmir should be independent, join Pakistan or continue under Indian rule.

Indian security forces made no evident attempt to stop the protest and the crowd dispersed peacefully, witnesses said.

Kashmiris have frequently tried during a six-month-old revolt against Indian rule to march to the office of the UN group, which monitors a ceasefire line dividing Kashmir between Indian and Pakistani control. But such demonstrations have often ended in violent clashes with security forces.

Heavy rain washed out an Eid gathering called by separatist militants on a large open space in Srinagar, averting another potential confrontation.

India's governor in Kashmir, Girish Saxena, had withdrawn security forces from most of the Idgah ground for the festival but had kept some deployed around a "martyr's graveyard" in one corner of the area, where militants bury their dead. Kashmir is India's only majority Moslem state.

Taiwan offered Chinese N-site

By Peter Wickenden in Taipei

CHINA has offered to provide sites for Taiwan's state-run electricity producer Taipower to process and store nuclear waste. Taipower said it was studying a proposal sent indirectly from China's Energy Ministry suggesting technical co-operation.

Taiwan has three nuclear power stations running at maximum capacity and stores its waste at a temporary facility on an offshore island inhabited by aborigines. The building of a badly-needed fourth plant has been held up for several years by environmentalists' opposition. Electricity may have to be rationed at peak periods this summer.

Parties discuss reform programme

TAIWAN'S emergency conference on national affairs, a six-day brainstorming session on how to reform the government, wound up last night with both main parties agreeing that it had been a success, Peter Wickenden writes.

President Lee Teng-hui bowed to public calls for the conference on the eve of his election in March. Most of the 235 participants were selected from the Kuomintang, the rest coming from the Democratic Progressive Party, former dissidents, politicians, businessmen and academics.

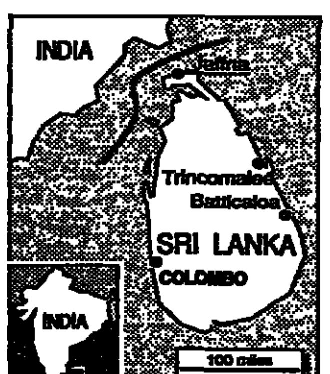
Sri Lanka slips into yet another cycle of ethnic violence

Mervyn de Silva examines the background to the renewed civil war between the Government and the Tamil Tigers

A STRANGE sight greets joggers on Colombo's famous Galle Face esplanade these days. By dawn, a small queue starts to form close to the old Parliament House. Across the road is army headquarters. By noon the queue of young men has grown to several thousand strong. All of them are Sinhalese, who make up 75 per cent of the island's 17m population. All want to join the new war against the separatist Tamil Tigers, dubbed locally Eelam War Two.

Eelam is the name of the independent state which the Tigers and other rival militant groups wish to set up in Sri Lanka's north-east, their traditional homeland. The Tigers (LTTE), the toughest of the lot, have been waging their guerrilla war for almost 15 years.

After a short period of peace civil war has broken out again. Eelam War One ended abruptly when a 6,000-strong Indian Peace-Keeping Force landed in Jaffna, the northern capital, in August 1987 after President J.R. Jayawardene and Prime Minister Rajiv Gandhi signed a "peace accord".



The pact gave the Tamils a substantial measure of regional autonomy through a north-east provincial council. Trincomalee, the strategic Indian Ocean port and Sri Lankan naval base, would be a special zone. After 12 months, a referendum would be held in the region to decide whether the merger should continue.

In the east, the main area of confrontation, the Tamils compose only 42 per cent of the population. The Moslems and the Sinhalese make up the rest in about equal proportions.

All the Tamil parties accepted the pact as a fair deal except the Tigers – the most powerful group – who argued that the east was part of the Tamil homeland until the Sinhalese "colonised" it by introducing Sinhala settler-farmers.

The Tigers boycotted the provincial polls supervised by the IPKF. The Tigers' main rival, the pro-Indian EPRLF, swept the poll. The Tigers, who are determined to seize the east by force since the north alone is not economically viable, went back into the jungles to bide their time.

The IPKF found that it could neither disarm the Tigers and force them into the democratic mainstream nor crush them militarily. It did keep the Tigers bottled up in the jungles, but at a high cost. The initial 6,000-strong force grew to 60,000 troops, 1,300 of whom were killed and 3,000 injured. Over two years $1bn was spent in the Sri Lankan misadventure.

But the presence of an "occupation army" fuelled the highly emotional propaganda of the Sinhalese extreme nationalist group, the JVP. Once elected, Mr Premadasa tried to undermine the JVP's appeal by demanding the IPKF's withdrawal.

Having terrorised the middle-class and the established political parties, and paralysed the administration and transport services, the JVP was ready for the final push. An over-stretched army could not fight a two front war against both the Tigers and the JVP if the IPKF left. But President Premadasa had already established contact with the Tigers and peace talks were in full swing when the JVP launched its final operation to "take Colombo". The army, freed temporarily from fighting the Tigers, was able to concentrate on the JVP and crush them. The official death toll was 16,000. Human rights groups place it much higher.

Many Sinhalese believe that Mr Premadasa has been tricked by the Tigers, who had been secretly preparing for "Eelam War Two" all along. But the Tigers may just have grown tired of negotiating with the Government. The talks lasted 14 months but nothing had been done to withdraw the sixth amendment, which makes it illegal to espouse separatism, nor to dissolve the north-east provincial council.

The Tigers probably suspected deliberate delaying tactics although constitutional changes need a two-thirds majority in parliament which Mr Premadasa's ruling UNP does not command. Trying to woo the smaller opposition parties including the Moslems has been difficult and time-consuming.

Mr Premadasa has finally introduced a bill enabling the north-east provisional council to be dissolved but it has been challenged in the courts by an EPRLF member of parliament.

But Mr Premadasa also alienated the army and the Sinhala opposition just before the latest violence by thinning out troops, dismantling small army camps and reducing the security presence in the north-east. Mrs Sirmavo Bandaranaike, the opposition leader, the Buddhist clergy and the Sinhala press have roundly condemned Mr Premadasa's "policy of appeasement".

Once again, the Tamils and the Sinhalese are both infuriated, government policy is losing direction and Sri Lanka's aid donors are becoming increasingly anxious as the death toll mounts, allegations of atrocities return and the tragedy of the country appears unending.

INTERNATIONAL NEWS

Food is added to Mozambique's armoury

Julian Borger reports on the plight of the latest people displaced by a 15-year civil war

IN Zambezia, one of the most fertile regions of southern Africa, thousands of peasants are arriving at relief camps, exhausted, dressed in bark stripped from the surrounding forest, and starving. They are the *deslocados*, people displaced from their land by the most recent wave of fighting in Mozambique's *fifteen-year civil* war, a conflict that revolves, now, more than ever, around the control of people and the food they produce.

The best chance to date to put a stop to the fighting was frittered away earlier this month as direct talks between the Mozambican Government and Renamo rebels were aborted in Malawi. Both sides, together with Kenyan and Zimbabwean mediators, had delegations in Blantyre, but Renamo's leader, Mr Afonso Dhlakama, left town before talks began, repeating previous Renamo objections to Malawi as a venue.

In the southern and central provinces, with substantial help from the Zimbabwean army, government troops have attacked rebel military bases. In Zambezia, they have moved into traditionally Renamo-held rural areas and brought the civilian population back to camps in the towns and villages they control.

The civilians are officially claimed to have been "liberated," not without some justification. *Deslocados* arriving at the small Zambezia town of Alto Molocue described how Renamo habitually extorted supplies from them. "The mambos (Renamo chieftains) would send their men to everyone's place demanding food," explained Vicente Muriviwa, formerly a peasant farmer, now another refugee dependent on food aid.

"They told us anyone who refused would be taken to the Renamo base and whipped."

Renamo has a record of being still more brutal to civilians outside their areas of control, regularly massacring entire villages suspected of siding with the ruling party, Frelimo.

Vicente Muriviwa walked to Alto Molocue of his own accord. Other *deslocados* said they had been forced to flee when their houses and crops had been burnt down as government troops moved into their area.

Julian Borger

Some of the deslocados (displaced people) at a relief camp in Zambezia province

BUT crowding the rural population into camps also serves the purpose of cutting off Renamo's food supply. It is the continuation, this time for purely military purposes, of the discredited collectivisation policies of the early eighties, which are now thought, even in Frelimo circles, to have driven many peasants and their chiefs into the arms of Renamo first of all.

The strategy may now have short-term military advantages, but the end result could be mass starvation. Aid agencies working in Zambezia estimate that there are over a million *deslocados* in the province, half the national total. Even if foreign donors meet the pledges made at this year's emergency appeal, there will be food for only 400,000.

The *deslocados* are the victims not only of the war but also of "donor fatigue." By the time the appeal – Mozambique's unprecedented fourth in succession – came round in New York in April, the rest of the world was fast losing interest, as a consequence of the distractions of eastern Europe, and impatience over both sides' failure to reach a peace agreement. There is also disillusion over the level of corruption in the official food distribution system.

UN officials believe that more than 12 per cent of Mozambique's food aid is diverted for sale at a profit by government officials and soldiers.Several foreign and Mozambican relief workers in Zambezia are privately expressing their concern that the higher ranks in the military are making too large a profit from the war to have an interest in a lasting peace.

The Mozambican Government, on the advice of aid agencies, scaled down their request for emergency assistance this year to $136m, just over a third of last year's appeal. It was a realistic figure in terms of what the world was prepared to contribute, but, aid officials say, it is less than half of what will be needed.

Even if a working peace was signed today, the country's food crisis would remain, if not worsen, as over 900,000 refugees made their way back from Malawi and Zimbabwe. In the long term, of course, food production would increase when the population felt safe to return to the land.

Provinces like Zambezia could be self-sufficient after two harvests. But for Mozambique's *deslocados*, confined to relief camps waiting for food that will probably never arrive, the long term may be too long to wait.

Release of Lebanese prisoners raises hopes for hostages

By Lara Marlowe in Beirut

FIFTEEN western hostages in Lebanon may be closer to freedom following the announcement this week that 300 Shia Moslem prisoners held by pro-Israeli militiamen in southern Lebanon could be released soon.

The 'Voice of the South' radio station, operated by the South Lebanon Army militia, said that Israeli Brigadier General Za'ev Zakharin was considering the release of 300 prisoners held at Khiam, southern Lebanon, by the SLA, which is trained and financed by Israel.

Gen Zakharin, who is the commander of Israel's northern border area, was on a tour of Israeli and SLA installations in southern Lebanon during the Moslem feast of al-Adha, a time when it is Arab custom to release prisoners.

In the past, statements issued by militant Islamic fundamentalist groups, such as the Revolutionary Justice Organisation, the Islamic Jihad for the Liberation of Palestine and Islamic Jihad, have all demanded the release of Khiam prisoners as a condition for the freedom of American and British hostages.

The groups are believed to be different labels for the pro-Iranian Shia Moslem.

The release of two American hostages in April prompted speculation that Khiam prisoners would also be freed in the near future.

Although a few 'routine' releases took place, both SLA and Israeli officials denied there had been a deal to exchange their Lebanese prisoners for westerners held in Lebanon.

The Israelis said that any agreement would have to include three Israeli servicemen captured by the Hizbollah in Lebanon.

At the same time, the Hizbollah yesterday renewed verbal attacks on the Saudi royal family, blaming King Fahd for the death of 1,426 pilgrims in the holy city of Mecca on Monday and calling for an end to Saudi Arabia's custodianship of Islam's holy cities of Mecca and Medina.

Doe urged to stand down as rebels advance on Monrovia

THE FATE of Liberian President Samuel Doe was unclear yesterday, a day after he was reported ready to quit as the capital Monrovia came under rebel siege, Reuter reports from Abidjan.

Monvoria is cut off from the world, with telephone and telex links down and no flights, scheduled or charter, to the city.

Rebels led by Charles Taylor, former associate of President Doe, have surrounded the capital, blocking all land routes in and out.

Diplomats contacted in neighbouring Ivory Coast were either in the dark about latest events or remained tight-lipped.

"The situation in Monrovia is very confused. We can't say anything more," one said.

The last news report, sent jointly by foreign journalists via radio telex on Tuesday, quoted political sources as saying President Doe had agreed to resign on condition his safety and that of his minority Krahn tribe were assured.

The journalists said a delegation of close aides and politicians headed by Vice President Harry Moniba had told President Doe to step down.

Heavy fighting continued some three kilometeres north of Monrovia port on Tuesday, they added.

Rebel sources in Ivory Coast said yesterday that they had received no fresh news from Liberia.

The sources, in radio contact with the rebels, said on Tuesday the guerrillas were only 200 metres from President Doe's fortress-like mansion where he is believed to be barricaded with a crack battalion and Israeli-trained bodyguards.

Angola attacks Savimbi plan for peace 'corridors'

THE Angolan Government yesterday denounced a proposal by rebel leader Mr Jonas Savimbi to set up "corridors of peace" for humanitarian aid to civilians in war zones, Reuter reports from Harare.

Mr Savimbi proposed the plan last week in letters sent to the presidents of the United States, the Soviet Union and Angola, saying his country faced mass starvation and urging joint Soviet-American efforts to bring in relief.

A statement distributed by the Angolan embassy in Zimbabwe said Mr Savimbi was making opportunistic use of a real tragedy to gain freedom of movement and easier access to US war material coming into Angola from Zaire.

The United States is currently providing $50m a year in military aid to Mr Savimbi's National Union for the Total Independence of Angola (UNITA).

The statement welcomed proposals for humanitarian aid to Angola by the US Congress but criticised the State Department in Washington for proposing to distribute the aid through Botswana without involving the Angolan Government.

CONTRACTS & TENDERS

ELLESMERE PORT AND NESTON BOROUGH COUNCIL

Applications are invited from appropriate banking institutions who may be interested in tendering for the provision of a banking service for a period of three years commencing on 1 April 1991.

Details can be obtained from Borough Treasurer, The Council Offices, 4 Civic Way, Ellesmere Port, South Wirral L65 OBE (Telephone 051 355 3665 Ext. 320).

Completed tenders are to be returned by 10 August 1990

LEGAL NOTICES

IN THE MATTER OF K&L HANSEN LIMITED
AND
IN THE MATTER OF THE CYPRUS COMPANIES LAW CAP 113

Notice is hereby given that the creditors of the above-named company which is being voluntarily wound up are required on or before the 5 day of August 1990 to send in their full names, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their solicitors (if any) to the undersigned Mr Antony Haji Roussos FCCA of Julia House, 3 Themistocles Dervis Street, PO Box 1612, Nicosia, Cyprus, the liquidator of the said company, and if so required by notice in writing from the said liquidator, are personally or by their solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.
Dated this 5 day of July 1990
A Haji Roussos FCCA
Liquidator

THE HARVEST TRUCKING COMPANY LIMITED

Registered number: 1896807
Nature of business: Distribution and Haulage
Trade classification: 28
Date of appointment of joint administrative receivers:
11 June 1990
Name of person appointing the join administrative receivers:
Banco Hispano Americano Limited
John Martin Iredale and Michael Joseph Moore
Joint Administrative Receiver
(Office holder nos 2104 and 6526)
Cork Gully
Shelley House
3 Noble Street
London
EC2V 7DQ

COMPANY NOTICES

TAISHO MARINE & FIRE INSURANCE COMPANY LTD
NOTICE TO E.D.R. HOLDERS
(ONE DEPOSITARY SHARE COMPRISING 10 ORDINARY SHARES OF YEN 50 EACH)

Hambros Bank Limited announce that Coupon No: 22 representing the dividend on the underlying shares for the year ended 31st March 1990 is payable as from 5th July 1990 at the rate of US$0.46 per Depositary share less Japanese taxes as applicable and may be presented for payment at their Stock Counter, 41 Tower Hill, London EC3N 4HA or at Kredietbank S.A. Luxembourgeoise, 43 Boulevard Royal, Luxembourg.

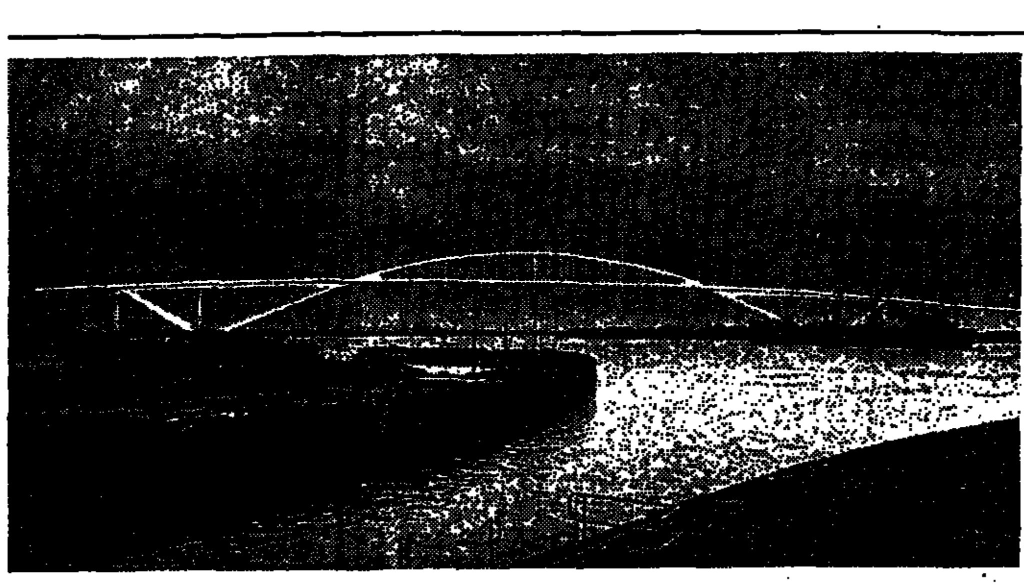
Coupons presented to Hambros Bank Limited must be listed on the special listing forms, which may be obtained at their Stock Counter and when applicable U.K. income tax will be deducted at the rate of £0.10p in the £ on the gross amount of the dividend before deduction of Japanese withholding tax.

Hambros Bank Limited
5th July 1990

VEHICLE SAFETY RECALL

Yugo cars converted by Dealers to run on unleaded fuel, are being recalled due to a possible safety fault related to that conversion. The new Sana model is not affected. Any owner of a Yugo car (excluding SANA) which has been converted to run on unleaded fuel should immediately contact their nearest Yugo Dealer, so that the necessary checks and modifications can be carried out on a free of charge basis.

UK NEWS

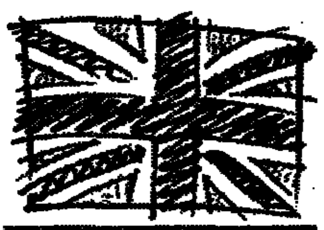


STANHOPE properties, the developer, has announced an alternative design for the proposed east London river crossing, to coincide with the opening of the public inquiry into the crossing and the planned extension of London City Airport.

Its bridge, commissioned from Mr Santiago Calatrava, the Spanish architect, would be an arched form across the Thames as opposed to the box girder design favoured by the Department of Transport.

The inquiry will examine the design criteria of the new crossing in the light of the proposed development of the airport. The bridge, from Thamesmead on the south of the river to Newham and the Docklands on the north bank, will be the first crossing over the Thames on the approach from the sea.

BRITAIN IN BRIEF



Overseas visitors up by 11%

The latest statistics show that the number of overseas visitors to the UK in April 1990 rose to 1.4m, 11 per cent up on the same month last year. They spent £500m, an increase of 15 per cent.

The April figure took the number of overseas visitors to the UK for the first four months of 1990 to 4.8m, 4 per cent above the same period in 1989. Spending for the period was up 11 per cent to £1.8bn.

The Department of Employment figures also showed that the number of UK residents going abroad in April 1990 was 2.8m, a 21% rise on April 1989. Their spending rose 20% to £715m.

The British Tourist Authority's chairman, Mr William Davis, said: "These figures confirm the increasing value of tourism to Britain."

Criticism for British Telecom

Some aspects of British Telecom's service have improved in the past three years but its customers are still not getting the service *they deserve, according* to a survey published by the Consumers' Association yesterday.

The survey, based on 15,000 calls made by nearly 600 customers in February, shows that BT's performance has improved on some fronts but much remains to be achieved in other areas.

Two fifths of the association's panel said their phone had been out of order in the previous year and a half. And the survey claimed that BT was not significantly *quicker* in repairing faults than it had been three years ago when the association conducted its previous survey.

On the other hand, call quality has improved considerably with only 4 per cent affected by poor lines, crossed lines or disconnections, compared with 10 per cent in 1987.

New Bristol development

A £500m scheme to *develop* the centre of Bristol based around Brunel's Temple Meads railway station and his nearby floating dock was announced yesterday.

Work *on the first phase of* the scheme, which should begin by the end of the year, will create up to 6,000 jobs during the construction phase, Mr Christopher Thomas, *chairman of Bristol* Development Corporation, said.

The corporation, a government-appointed quango, said it would not hesitate to use its compulsory *purchase* powers to hurry along the scheme, which will take up to 10 years to complete. The private sector will be expected to play a leading role in the *provision of capital towards* the project.

Loss for tour operators

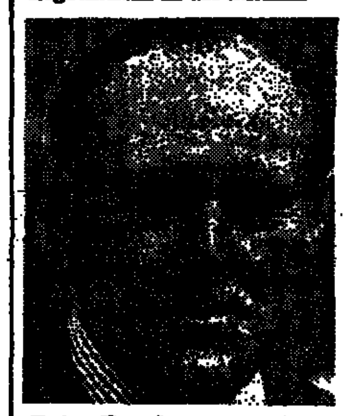
A THIRD of the UK's leading tour operators made a loss last year, according to figures released yesterday by the Civil Aviation Authority. The CAA said 11 of the 30 largest tour companies made losses totalling about £34.1m while the other 19 made profits of £34.1m. Altogether, the 30 made a £76,000 loss last year on turnover of £3.05bn (£3bn) compared with a profit of £15.5m in 1988.

MPs to hear of plans for Ulster

Mr Peter Brooke, Northern Ireland Secretary, will today tell MPs about his plans for starting round-table talks on the province's political future – but without having won final approval from the Irish Government.

Mr Brooke spent yesterday in last-minute discussions with Northern Ireland's political leaders about the form of his Commons' statement which follows six months of "talks about talks."

However, it has become clear that hopes of Mr Brooke being in a position to outline concrete proposals for formal negotiations in the autumn have been raised too high.



Peter Brooke: to reveal plans

N Ireland power profit

Northern Ireland Electricity, the state-owned utility, yesterday announced a record profit of £64.1m, slightly higher than last year's level, in spite of a sharp increase in the price of heavy fuel oil and a weaker pound. NIE has moved over the past decade from being heavily dependent on Government subsidy to being self-sufficient.

Pop degree

A college in northern England is launching the world's first degree in pop music but warned students the course would be as hard as any.

"This will be a demanding academic course of great rigour," said Mr Keith Wilson, head of performing arts at Salford College of Technology.

British Rail in the red

British Rail announced its results for the year to March 1990 showing that its ordinary operations had plunged into the red for the first time in five years.

The previous year's operating surplus of £107m turned into an operating loss of £26.4m with BR laying the blame for the downturn squarely on last summer's industrial action by the rail unions.

Property profits – particularly from the Broadgate and Lugate Circus developments in London – enabled it to show an overall surplus for the year of £269.8m, but this figure represented an 11 per cent decline from the previous year's £304.3m.

The last time BR made an operating loss was in the 15 months to March 1985 when the effects of the coal strike left its ordinary operations £281.6m in the red.

BR said in the year just ended, the net cost of the eight rail strikes had been £73m.

Reform call in education

Britain must overhaul its post-16 education system, abandoning the segregation of pupils at 16 into vocational and academic streams, a left-of-centre think tank urges in a report published today.

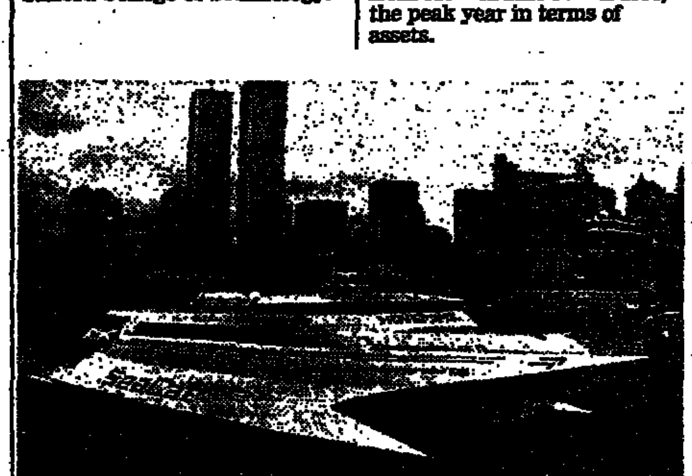
The Institute for Public Policy Research also calls for post-16 employment to be made less attractive, with employers encouraged to recruit at 18 rather than 16, and required to release all 16-to-18-year-old employees *for part-time* training.

It further calls for the Departments of Employment *and of Education and Science* to merge into a Department of Education and Training to help close the gap between academic and vocational study.

Merger activity remains cool

Merger activity in the UK has cooled in 1988 and 1989, but a higher proportion of proposed mergers have been referred to the Monopolies and Mergers Commission, according to the annual report of the Office of Fair Trading, published yesterday.

In 1989, 281 proposed mergers fell within the scope of the Fair Trading Act covering assets with a value of £96.1bn. This is down from 306 and £98.9bn in 1988 and from 313 and £123.3bn in 1986, the peak year in terms of assets.



The Seacat, winner of the Blue Riband for her record Atlantic run last month is due to make her maiden Channel crossing on July 12.

The catamaran which made the fastest crossing of the Atlantic will start a cross-Channel service next week even though it still *has no safety certificate, its owners said today.*

Hoverspeed, the cross Channel company which operates the world's largest commercial hovercraft, has been discussing the SeaCat with the Department of Transport and a company spokesman said: "Whatever we have to do to the craft to achieve all their necessary requirements we shall do."

The SeaCat, capable of carrying 450 passengers and 80 cars, will run between Portsmouth and Cherbourg, France, drastically cutting travelling times.

The Hoverspeed spokesman said: "We fully expect to have the certificate to operate on July 12.

"This is a new craft for us and a new one for the Department of Transport and we are holding discussions about the granting of a passenger certificate."

Walters set to rekindle the EMS affair

By Philip Stephens, Political Editor

SIR ALAN WALTERS, the US economist who acted as an adviser to Mrs Margaret Thatcher, appears set on rekindling the political controversy over the European Monetary System which *led to* Mr Nigel Lawson's resignation last year as Chancellor of the Exchequer.

Whitehall officials are voicing concern that Sir Alan's forthcoming book on his experiences in British policymaking could upset the delicate accord within the Government on full British membership of the EMS.

The advance publicity surrounding the book - due to be published on July 26th - has persuaded the officials that Sir Alan is ready to re-open the political wounds left by Mr Lawson's departure.

Sir Alan remains a vehement *critic of attempts to peg* exchange rates and has consistently opposed sterling's participation in what he terms the "half-baked" EMS exchange rate mechanism. That stance is reflected in the book's provocative title: "Sterling in Danger: The Economic Consequences of Fixed Exchange rates".

Last month he previewed some of the book's arguments in a brief article in the National Review, a US academic journal, in which he argued that attempts by Governments to co-ordinate exchange rates inevitably resulted in higher inflation.

Mrs Thatcher has assured *her colleagues* that although Sir Alan is still a regular visitor to Downing Street, she will not allow him to persuade her to reinstate her veto on a decision to take the pound into the system.

Mr John Major, the Chancellor, has won her, albeit reluctant, approval to join the ERM in the next few months and senior ministers believe that it is now almost certain that sterling will be locked in by September or October.

The Cabinet Office has also carefully vetted Sir Alan's book to ensure that it does not reveal any of the confidential discussions which took place during his time in Downing Street.

The book's co-sponsors - the Institute of Economic Affairs - insist that it is a serious work of economics designed to focus on the *intellectual* arguments surrounding exchange rate management.

Sir Alan is nonetheless being criticised at Westminster for what one minister termed deliberate political mischief-making.

Business still cautious of Labour

By Charles Leadbeater, Industrial Editor

THE opposition Labour Party's campaign to present a more responsible image to business has been partially successful, according to a survey of executives which found that most thought Labour had left behind many of the policies of the 1970s.

However the survey of more than a hundred executives found that about 60 per cent expected the business environment would worsen under a Labour government, with 30 per cent expecting the effects to be neutral and 10 per cent expecting the climate to improve.

The report, based on interviews with managers in manufacturing, financial services, construction, retailing and business services companies, says that as a result of the Labour campaign the Conservatives can no longer rely on fear of a Labour government to rally business support.

Yet most executives criticised *Labour policies for being* too vague, warning that increased uncertainty would be the main drawback of a Labour administration.

Most admitted that they based *their assessment of* Labour on their experience of the 1970s.

The survey, by the Coba consultancy group, is one of the first to explore in detail business views of a future Labour government.

Some of industry's traditional concerns about the impact of a Labour government have been allayed. Only a minority of industrialists thought Labour would strengthen the trade unions and lead to increased conflict in industrial relations.

Most expected wage inflation to be higher and all companies rejected the European Social Charter, which Labour supports.

However, the end of the era *of enterprise culture* would have a considerable impact on management motivation. Higher taxes and a perceived restriction on entrepreneurial opportunities could make it more *difficult* to keep talented managers in the UK, senior executives said.

Executives at manufacturing companies fear that middle managers would be less prepared to implement difficult decisions.

Business would largely ignore the micro-economic measures Labour has proposed to improve industrial *competitiveness* such as incentives to promote training, research and development and capital investment.

Companies said they would largely ignore regional investment incentives, while Labour's proposal to strengthen the role of the Department of Trade and Industry was dismissed as just another layer of *bureaucracy.*

Industrial companies were impressed by Labour's commitment to the European Community and to increasing investment in education, training and the transport infrastructure.

Small companies were particularly concerned about the costs of more regulatory controls under Labour, although lawyers and accountants expected their services would be more in demand to help companies cope.

Executives in the financial *services sector believed they* would benefit from increased volatility in financial markets, although their income would be hit by the end of the privatisation and fewer large mergers and acquisitions.

Companies in the construction and retail sectors thought the effects on their businesses would be minimal.

Warning over power prices after privatisation

By David Thomas, Resources Editor

NATIONAL POWER and PowerGen, the two generating companies heading for privatisation in England and Wales, will force up electricity prices by manipulating the new electricity market, a leading independent generator forecast yesterday.

This prediction was made by Mr Michael Cornish, chief executive of Thames Power, in a gloomy review of the prospects for independent generators at a conference in London on the industry's privatisation.

Mr John Wakeham, Energy Secretary, told the conference on Tuesday that he was considering applications for 23 new power generating projects.

However, independent generators told the conference yesterday *that* most of the projects so far mooted would collapse. "So many of them seem to disappear like the morning mist," said Mr Cornish of Thames Power.

Thames Power is a consortium consisting of BICC, Schroder, CU Power of Canada and Hydro Electric of Scotland, which is planning to build a £500m, 1,000 megawatt gas-fired station at Barking Reach *on the Thames in London.*

Mr Cornish argued that National Power and PowerGen were creating a situation which would make it difficult for independent generators to compete. "We should have no illusions about their power and their ability to manipulate the market," he said.

Mr Cornish forecast that the generators would scrap 5,000-6,000 MW of old power stations *after privatisation*, which would force up the price of electricity.

Export Credits Guarantee Department

UK industry alarmed at changes in export support

By Peter Montagnon, World Trade Editor

BRITISH COMPANIES will suffer a serious loss of business to their overseas competition if the Export Credits Guarantee Department is forced to introduce sharply increased premiums and tighter cover limits for insuring exports of capital goods, a group of leading exporters warned yesterday.

The Treasury was seeking to impose over-restrictive trading conditions on ECGD in an effort to prevent a recurrence of the losses it sustained as a result of the debt crisis, the group, known as Major British Exporters (MBE), told the Commons Trade and Industry Committee.

But the effect would be to undermine its ability to support exports. The more attractive terms offered by foreign export credit agencies would mean that business would drift offshore, and even British companies would channel orders through their foreign subsidiaries.

"If you start to charge premium rates which ensure that you never had a loss, we could be utterly and completely out of business," said MBE Chairman, Mr Alan Gormly, who is also Managing Director of John Brown.

Already the premiums charged by ECGD were higher than those of continental export credit agencies by a factor of two or more. Its risk exposure had improved over the past couple of years and premium increases were only needed to keep pace with inflation, he said.

ECGD has been planning to introduce a new system for calculating premiums which is designed to match them more closely to the risk being covered.

It has also alarmed exporters by warning that the availability of cover could be restricted in markets where it is heavily exposed. These include South Africa, the Soviet Union and China where premium rates were increased by 25 per cent last month.

However, despite being repeatedly urged to do so by the Committee, the exporters failed to identify any particular Treasury Minister or official as being behind a move to undermine the ECGD.

Asked to comment yesterday a Treasury spokesman recalled earlier government statements to the effect that ECGD support for exports would continue but that attempts would be made to reduce the cost of this to the taxpayer.

According to Mr John Lippitt, Exports Director of GEC which insures £1bn worth of exports with ECGD each year, the Treasury was "totally wrong" to argue that the ECGD premium constitutes only a small part of the cost of projects undertaken by British companies abroad and could easily be absorbed.

"Very often the premium will be greater than the profit margin. Any increase will render us uncompetitive," he said.

● Sir Gordon Borrie, Director General of the Office of Fair Trading, has claimed that increased competition between traders promotes consumers interests. At the same time, protecting consumer interests leads to greater competition.

His remarks were published in the OFT's annual report, out yesterday. "The basic aim of my competition work is to ensure that consumers are provided with choices," he said. "That of my consumer work is to ensure that consumers are able to make such choices to their own best advantage." The two functions supported each other, he continued.

Christiania denies prompting receivers at Brown Group

THE COLLAPSE of Brown Group International, the privately owned construction machinery manufacturer which went into receivership last week, provoked renewed controversy yesterday when the group's main banker denied it had prompted the appointment of receivers, writes Charles Leadbetter.

Christiania Bank, the Norwegian Bank, which is the group's main creditor said it had not requested the receiver to be called in and it had not brought to an end discussions over a possible refinancing of the group.

The Brown Group employs about 1,600 people mainly in four construction machinery businesses in the UK and Norway, as well as a Capital Airlines, a regional airline based at Leeds-Bradford airport.

Potential purchasers have made several inquiries about buying the airline, while it is understood that Komatsu, the Japanese construction machinery maker is considering buying the group's Moxy dumper truck plant in Norway.

Moxy already makes Komatsu dumpertrucks under license.

It had been suggested that Christiania Bank had triggered the Brown Group's collapse because it had not been prepared to extend loan facilities to the Yorkshire based group, even though the institutional shareholders had been prepared to put in more equity.

In a statement Christiania Bank said the Brown Group had first defaulted on loan agreements early this year after running into financial difficulties last Autumn.

It said the latest attempt to put together a rescue package foundered last week because the group's directors, advisers and potential equity investors refused to make a financial commitment pending the raising of new equity.

Christiania Bank said the package was also supported by Standard Chartered, the Brown Group's other main banker.

Canadian developers lift veil on Canary Wharf

By David Lascelles

OLYMPIA & York, the *reclusive Canadian developers* of Canary Wharf in London's docklands, lifted the veil slightly on their most sensitive secrets yesterday: the terms on which they are signing up tenants for Europe's largest commercial office project.

In a rare meeting with the Press, Mr Paul Reichmann, president of the property company O&Y, said that about 2.4m square feet of the development now had committed tenants, though only 2.1m had so far been officially announced. This is just under a quarter of the project's total proposed 10.5m square feet, but more than half its first phase of 4.3m square feet.

This meant the project was sufficiently advanced for O&Y to begin to seek institutional funding, and talks had begun with potential lenders, Mr Reichmann said. Until now, work has been financed out of O&Y's own resources and Canadian bank credit lines.

Poor transport links remain one of the biggest obstacles for Canary Wharf. Mr Reichmann confirmed that O&Y will be making a phased contribution towards the cost of extending the Jubilee underground line to Docklands. This is believed to be about £400m of the proposed £1bn cost.

Generally, he said "very dramatic changes are about to happen" on the transport front which would make Docklands much more attractive. These included improvements to road and rail links.

He claimed not to be disappointed by the fact that no major UK institution has so far signed up – the majority are *existing* American clients of O&Y – but he predicted: "The British are on the way". In later phases of the project, the majority of tenants would be British, he believed, and Canary Wharf would be not just a commercial office project but the core of a new business community.

Mr Reichmann said that tenancy contracts were being done on the following terms:

● The majority were for rents of £30 a square foot, with some tenants being offered £27.

● Lease terms are for 25-30 years, and tenants are required to occupy their space for the whole period.

● Tenants must commit themselves to putting their "front office" operations in Canary Wharf along with their top executives. "Back office" operations only are not allowed.

● All the announced tenants have binding agreements which commit them to taking up their space. The exception was Merrill Lynch which only signed a letter of intent, and pulled out last week.

● Although O&Y is offering "special incentives depending on needs", Mr Reichmann said no tenants had been offered "meaningful rent-free periods".

● O&Y was not taking on tenants' existing space in exchange, though it was working with them to dispose of leases.

Mr Reichmann declined to discuss tenancy terms in detail because he said these were confidential between the company and its clients. But he seemed keen to dispel some of the wilder rumours which have filled the vacuum left by the absence of hard facts. These suggested that O&Y was charging as little as £15 a square foot, with rent-free periods lasting several years, and sweeteners thrown in.

Analysts were sceptical about the figures yesterday, saying that they seemed rather high. One commented that the "special incentives" could include upfront payments by O&Y to future tenants which would substantially reduce their effective rents.

If tenants are paying around £30 a square foot, that is about two thirds of the going rate for quality office space in the heart of the City of London. Canary Wharf, in London's derelict docklands, is about two and a half miles from the centre of the City.

UK 'lagging' behind France and Germany in living standards

By Rachel Johnson

PRODUCTIVITY in the economy has risen since 1979 but "very large gains" need to be made if the UK is to achieve higher growth rates in the 1990s than in the previous decade, the National Economic Development Council agreed yesterday.

The UK was now in an economic "pause", according to the council, which was chaired by Mr John Major, the Chancellor.

The council adopted a report on investment, capacity and growth, written by the Mr Walter Eltis, chairman of the National Economic Development Office, which said the UK was lagging a decade behind France and Germany in terms of living standards and output per employee.

The manufacturing sector was an exception to the general picture. Despite only slight investment in manufacturing, the rate of growth had been a "considerable success" and productivity had risen by 50 per cent since 1979. This had enabled real wages to rise by 30 per cent during the 1980s – the fastest wage growth in any post war decade.

Although output in the whole economy had grown continuously since 1981, there was likely to be a pause this year, during which wages would grow faster than company revenues. This would squeeze profits and disrupt investment plans. The pause was "absolutely necessary" while excessive inflation was squeezed from the economy to converge more to the European average of around 3 per cent.

"It is unfortunate that there should be a pause when the task of raising British productivity and output per worker to European standards is only half completed," says the report.

Indicators of real living standards, such as car ownership, consumption of steel, meat and electricity, and the availability of telephones and televisions in the home were all significantly higher elsewhere in Europe, he said.

Mr Eltis was optimistic that the pause would be brief and allow the UK to achieve above-average growth in the 1990s as a whole.

It noted that a growing portion of UK investment was financed from overseas. The current low personal savings ratio would result in foreign portfolio holders and foreign-owned companies eventually controlling larger amounts of UK capital stock.

The UK's holdings of net overseas assets peaked in 1986 and had since declined by one quarter.

In 1989, acquisitions of UK companies from Europe exceeded acquisition of European companies.

Furthermore, what saving there was tended to be concentrated not in productive industrial and commercial assets, but "concrete gold" – housing.

City urged to make equity market more accessible

By Rachel Johnson and Richard Waters

THE TREASURY yesterday challenged City stockbrokers to lower costs and make the equity market more accessible to small investors.

Mr John Major, the UK Chancellor of the Exchequer, presented a detailed paper on broader share ownership to the National Economic Development Council's meeting yesterday, which he chaired.

The Treasury called on the private sector to sharpen its marketing skills as the "key to entrenching the shareholding habit." This would require extending public awareness from the primary market's privatisation issues to the secondary market's trading and dealing of issued shares.

"It is a policy objective to help reduce dealing costs in the secondary market," the Treasury said. It then detailed the measures the Government has already taken to this end, such as abolishing stamp duty by 1992.

Brokers had carved themselves a niche out of the public interest in privatisations, but had failed to achieve a mass market, the Treasury said. The Government had made efforts to create a "level playing field." Now stockbrokers should build on its achievements to create a mass retail business in the secondary market. Recent surveys have revealed a widespread ignorance about how to buy and sell shares, including among shareholders. Many have bought in privatisations and have no idea how the stock market works.

The latest study, undertaken by the International Stock Exchange and the Association of Investment Trust Companies, also found that most people distrust stockbrokers, thinking of them either as "arrogant, upper-crust, old-Etonian types" or "youthful wheeler dealers...in the model of an estate agent."

The Exchange has done little to create a better market for individuals. A review of the procedure for issuing shares earlier this year concluded that there was little that could be done to get more shares into the hands of private investors.

Another discouraging step was the Exchange's abandonment this week of a proposed second-tier stock market, which could have provided better buying and selling prices for small investors.

The Government's challenge to the private sector won support from both the Confederation of British Industry and the more unlikely quarter of the Trades Union Congress. Mr Norman Willis, the TUC's general secretary, declared himself a convert – but a "not unsceptical one" – to wider share ownership.

The TUC said that most ownership of recent years was accounted for by privatisation share issues.

BUSINESS LAW

Green issue poses a new hazard to banks

By Derek Wheatley QC

The protection of the environment is vitally important. But we must ensure that enthusiastic new moves with this aim are well thought out. The EC draft Waste Damage Directive in one important respect is not.

It provides for the protection of people affected by pollution of water, soil or air and for compensation in the event of damage to health or to property. It creates civil liability when in most cases none exists under our law at present. This is strict liability, created irrespective of fault on the part of the "producer" of the waste, which according to the draft directive means virtually anything foreign to the land, air or water in question which has a harmful effect on property or on health, provided only that it has been generated in the course of an occupational activity.

The "producer of waste" is any natural or legal person whose activities cause it or whose operations mix other products which then damage the environment. So it is not only chemical manufacturers who are likely to be liable, but also any individual who causes significant and/or persistent interference with the environment.

What will be considered to be significant and persistent remains to be seen, but it is clear that actual damage to property is not an essential ingredient to the establishment of civil liability.

In respect of this a plaintiff may take legal action to obtain a court order, prohibiting the action in question, reimbursement for action taken to prevent the damage, indemnification for damage suffered and for "the restoration of the environment.... or the reimbursement of expenditure incurred.... to this end."

Companies which actually cause the damage may evoke little sympathy, although liability without fault is rarely justifiable.

The real concern is the definition of the "producer of waste" which extends far beyond the actual miscreant in question, since it includes the person "who had control of the waste when damage occurred" unless he is able to identify the real producer, which will often be impossible.

A bank taking security over land and then enforcing its security by going into possession could easily find itself a "deemed producer" of waste already on the land and of which the bank had no knowledge at all.

A serious case of contamination caused by toxic waste, particularly if a river or stream ran through the land, might require large expenditure to put right. The value of the bank's security could be much diminished or exceeded by the cost of rectification so that the draft directive, once it becomes part of Community law, would represent a new and dangerous hazard to lenders.

Banks will need to make new and, perhaps far-reaching enquiries before lending money secured by a charge over land. In the end it is likely that the customer will pay for *it all.*

Lenders in this country are subject to no system of liability for environmental waste at present, and justice does not require that they should be unless there is a real connection with causing or continuing the waste. They should be excluded in a similar way to *banks* in the US.

During the past 20 years environmental concern has been the cause of several federal and state legislative moves, in particular the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (CERCLA). This provides for *cleaning up areas of existing* contamination and requiring payment from those responsible. These may include lenders. There has been a lasting effect on lending practices as well as financial liability as a result.

CERCLA fixes liability on "owners or operators of a hazardous waste facility". There is an exclusion clause for a person who "without participating in the management of a.... facility, holds indicia of ownership primarily to protect his security interest in the facility".

At first sight this seems to exonerate the bank taking a charge over land. American case law shows, however, that a bank which enters into possession *of land even if only for* the purposes of a sale may be held to be an "owner". In addition any exercise of control over the land carries the hazard that the bank may become an "operator" and so liable for cleaning up the waste on it. If the bank fails to cleanse within a reasonable time of being required *so to do*, *the state* may do the cleansing and charge the bank for the cost.

If the EC draft directive is implemented without amendment the danger to lenders within the Community is that they will need to assure themselves that land offered as security has no waste on it. If *it has*, the value of the *land* will be less and the dangers, if the lender wishes to enforce his security, will be considerable.

If, *for instance*, money is lent for a property development which gets into difficulties, the lender might wish to take possession and complete the development as the best, perhaps only, way of selling advantageously and recouping his money. There is little doubt that he would be exercising actual control over the land and so become liable for any waste on it as a deemed producer.

Under article 5 of the directive if there are two or more producers of waste, as defined, *each is liable jointly and severally*. So if it could be said that a lender has been responsible for only a small amount, his liability could be for the whole.

Take the case of the mortgagee of an oil tanker which has, unknown to him, just leaked a substantial amount of oil. Perhaps a very slight leak persisted when the mortgagee, exercising his rights, directed the Captain to make for port. This could saddle him will full liability when he could have known nothing about it at all.

There seems no reason why the draft directive should not be amended so as to include the exemption clause in favour *of holders of security, similar* to that in CERCLA but drafted so as to exclude the ambiguities which have been the source of much expensive litigation in the US.

The draft directive is near finality. Member states must implement it by January 1 1991. If anything is to be done it must be soon and so far it appears that no alarm bells have been ringing *in the head* offices of those most concerned. Urgent lobbying of our own Department of the Environment and the Department of Trade and Industry providing details of the litigation and experience in the US would be a start.

Similar approaches to the *officials of the European Com*mission should be made. It is basically unfair. But of course those who will suffer most obviously are the banks and a common thought is that "the banks can afford it".

To be realistic one needs to go on and consider that if nothing is done the strong likelihood is that the *real sufferers* will be the public. Those who wish to borrow offering land as security, would find that it is harder and more expensive to do so since the banks would, of course, pass on the extra expense to their customers. If this is to be avoided something must be done very soon to give *warning of the US experience* in Brussels.

The author was Chief Legal Adviser to Lloyds Bank until this year when he returned to practise at the Bar.

APPOINTMENTS

Changes at BZW

■ Mr Oliver Stocken has been appointed chief operations officer of BARCLAYS DE ZOETE WEDD in succession to Mr Gerald Dennis who is retiring. A subsidiary, Barclays de Zoete Wedd Ltd, has promoted the following directors to managing directors in the corporate finance division: Mr Richard Crick, Mr Richard Ramsay, Mr Jeremy Seddon and Mr John Standen. Mr John Hunt has joined the division as a managing director. He was a managing director of Merrill Lynch capital markets. Mr Martin Weyer becomes chief operations officer in the division, and Mr David Simpson, Ms Ishbel Macpherson, Mr Christopher Elliott and Mr Michael McGhee have been appointed directors. Mr Michael Peterson has been made a managing director, banking division, and Ms Linda King becomes a director.

■ Mr Tony Nunn has been elected chairman of THE SALVAGE ASSOCIATION. He is chairman of the ocean hull committee of the International Union of Marine Insurance.

■ R. WATSON & SONS, Reigate, consulting actuaries, has appointed as partners Mr Richard Bulmer, Mr John Burns, Mr Shahid Chowdhury, Mr Colin Crouch, Ms Judith Dingle, Ms Joanne Goulding, Mr Graham Mitchell, Mr David Norris and Mr Stephen Rees.

■ TAKARE has appointed Mr Hamilton D. Anstead as finance director. He was with Price Waterhouse.

■ OPTICAL AND MEDICAL INTERNATIONAL has appointed Mr Richard Fletcher as managing director, design technology division. He joins from British Aerospace.

■ Mr Michael Denny, executive chairman of Northern Venture Managers, has been elected chairman of the BRITISH VENTURE CAPITAL ASSOCIATION.

■ Mr Jim Merriman has been appointed managing director of ACTIVE BOOK CO, Cambridge. He was chief operating officer and deputy managing director, Acorn Computers, working with Olivetti's systems and networks division.

■ INTERCONNECTION SYSTEMS, Newcastle, has appointed Mr John Benjamin as deputy managing director. He was with Amstrad.

■ CARR KITCAT & AITKEN, (formed following the purchase *of the name Kitcat & Aitken* from Royal Bank of Canada by W.I. Carr Group, part of Banque Indosuez), has appointed as co-chairmen Mr David Starling, executive director of W.I. Carr (UK), and Mr Peter Nuttall, former senior partner and managing director of Kitcat & Aitken. The new company has also been joined by 24 senior salesmen, analysts and dealers from Kitcat & Aitken. Mr Alan Andrews has been appointed managing director of Le Masurier, James & Chinn, stockbrokers, Jersey, a subsidiary of W.I. Carr (UK); Mr Anthony Hilton becomes executive director responsible for servicing private and institutional clients.

■ Mr Stanislas Yassukovich, chairman of The Securities Association, and of Flextech, has been appointed a non-executive director of HENDERSON ADMINISTRATION. He also becomes adviser to the international division. Henderson Pension Fund Management has appointed as directors Mr James Robinson, head, Far East investment team, and Mr Guy Hayes, a UK pension fund manager.

■ Mr Denis Robson has been appointed executive sales director at UCB GROUP. He was regional sales director in France.

■ *Mr John Raisman* has joined the board of CANDOVER INVESTMENTS as a non-executive director. He is deputy chairman of British Telecom.

Mr François de Rancourt *(pictured)* has been appointed senior managing director of BANQUE PARIBAS in London succeeding Mr Pierre de Longuemar. Mr Dominique Bazin becomes managing director. Mr de Rancourt, an executive vice president of the bank, was general manager of the Ottoman Bank in Istanbul, an affiliate of the Paribas Group.

■ Mr John Titley has joined the board of THE BROCK METAL CO, Cannock, a division of Benjamin Priest (Mfg.). He runs the foundry support service.

■ Mr Paul Baxter, formerly group brands manager of BRITISH AIRWAYS, has been appointed managing director of a new BA subsidiary, *Speedwing Training, formed* to market expertise in management and customer service. He was responsible for developing BA's Club World.

More appointments page 48

ARTS

Alastair Muir

Glenda Jackson in Philip Prowse's production of Brecht's 'Mother Courage.' Warmly reviewed on this page after its first performance at the Glasgow Citizens as part of Glasgow's Mayfest, it opened last night at the Mermaid Theatre

70, Girls, 70

MINERVA STUDIO, CHICHESTER

The words and music team of Fred Ebb and John Kander is at its freshest expressing the shrugging resilience of little people brushing themselves down after a pratfall and deciding life must go, glumly but not entirely hopelessly, on. Their earliest hit, the pastiche Depression musical *Flora the Red Menace*, revealed them as the heirs of Dorothy Fields, the Broadway librettist and lyricist who hymned the sturdy gumption of working girls and wry men, down but not out. Even the glossy exoticism of *Cabaret*, Kander and Ebb's biggest success, is secondary to the dreams and aspirations of its striving and not always conquering characters.

It's easy to see why a very British West End comedy should have inspired them to this 1971 musical. The story of amiably dotty geriatrics forming a shoplifting gang is heaven-sent for the team's specialities: wistful aspirations, unsentimental pluck, unwavering individualism. Peter Coke's *Breath of Spring* has naturally been Americanised. The residents of the Sussex Arms, a hotel for "actors in the teatime of their careers," turn to crime first to get that "boom-di-di-boom" of the heart which first nights used to provide, then to raise funds to save their beloved home from developers.

Moving spirit is Ida, who has countless changes of costume, a star entrance and a final post-mortem appearance ("Yes, I died," she chirpily explains to the audience) on a crescent moon.

Ida is played by Dora Bryan, astonishingly ageless, shapely of leg and penetrating of voice – with a *sprechgesang* technique perhaps better suited to *Pierrot Lunaire* than "Go Visit Your Grandmother." I for one am not complaining. She exudes sweet reasonableness in the face of life's insolent and quite unreasonable setbacks, pop-eyed surprise when her considerable high-kicks succeed (always) and beady-eyed caution in her disclaiming sideways glance at us as she essays the splits (successfully).

The songs rely a little too much on those trudging *ostinati* with which Kander and Ebb express cautious, clear-eyed hope that tomorrow may be better, that very American mixture of the blasé and the idealistic summed up in their "New York, New York" for Liza Minnelli; though at least one number, "Coffee in a Cardboard Cup," a litany of urban angst belted out by two exhausted waitresses, is almost a standard (beautifully done here by Shezwae Powell and Buster Skeggs).

More seriously, Paul Kerryson's finely-drilled production shows up the gap between the American and British comic traditions. At least one set piece cries out for the transatlantic vaudeville spirit: when the conscience-stricken old dears try to return a stolen coat without the shop-owner realising it, the slapstick demands an American funny lady in the Nora Bayes/Fanny Brice mould. Here, despite the cast's best efforts, it falls flat. The men are better at it than the women, especially Len Howe. Tremendous energy from the whole company – soft-shoe shuffling, tapping, banjo-playing, roller-skating. Jo Stewart leads the five admirable musicians. But the tone is unfocused, uncertain where the self-parody lies – we could do with more of Pip Hinton and Brian Greene, the elderly love interest, putting their finger on all our surmises about their sex life in that knowing duet "Do We?"

Martin Hoyle

CINEMA

A dig at feminist dogmas

JOE VERSUS THE VOLCANO
Patrick Shanley

REUNION
Jerry Schatzberg

TIE ME UP! TIE ME DOWN!
Pedro Almodovar

MOON 44
Roland Emmerich

LISTEN TO ME
Douglas Day Stewart

Film critics, being only human, have days when they stare at a blank piece of paper or empty computer screen, hoping it will speak to them. Take today. Should we begin with *Joe Versus The Volcano*, a movie all style and no content? Or with *Reunion*, all content and no style? Or with *Tie Me Up! Tie Me Down!*, in which bits of content and bits of style fly around in mid-air, gibbering, like birds in a grouse shoot?

Let us start with style. It is summer, Wimbledon is banging away and birdsong, of the non-grouse variety, is all about us. In the Spielberg-produced comic fantasy *Joe Versus The Volcano*, Tom Hanks is a New York factory worker given six months to live. "Terminal brain cloud" diagnoses dungeon-voiced Dr Robert Stack. So off goes Hanks to a South Sea island, via Los Angeles, with the aim of throwing himself into a volcano.

"Why?" you ask, pertinently. The reason for the proposed self-sacrifice is that it will appease the local lava gods and prevent the mountain from blowing its top. Hanks has been asked to volunteer by millionaire Lloyd Bridges, who has a mineral interest in the isle and who writes Hanks a blank cheque for expenses and enjoyments en route. The expenses include champagne and travelling trunks. The enjoyments include Meg Ryan of *When Harry Met Sally*.

Playing three different roles, Miss Ryan is a scene-seizing joy in each. Her L.A. redhead especially, sounding like Katharine Hepburn on stimulants, lifts this shaggy-dog film by the scruff of the neck and shakes it until its eyes pop. Something certainly needed to. Writer-director John Patrick Shanley (*Moonstruck*) has composed a rambling, picaresque movie with a single, back-of-the-envelope unifying idea: "Innocent hero is assaulted by extraordinary events and giggles or goggles accordingly." In short: smile, you're on Candide camera.

Unfortunately, Mr Shanley is no Voltaire. Nor, though he tries to be in the space of a 100-minute film, is he Fritz Lang (*Metropolis*-style factory), Georges Melies (smiling moons and fantasy islands) or Federico Fellini (polythene river and glittering New York backdrops). The movie staggers from one eye-catching, inconsequential vignette to the next, like a opium addict on a den crawl. By the time our hero reaches immolation island, we are thinking, "Oh do throw yourself in, Mr Hanks, and let us have no more ado."

What the film is about remains elusive. Is it an allegory of self-fulfilment? A fable of human gullibility? We are never sure. Nor, we darkly suspect, is Mr Shanley.

One still warms to this film more than to *Reunion*, a sober period piece on the rise of Nazism. Why? Because it takes a brave director to paint the inside of his mind and put it up on screen in all its (possibly incoherent) poetry. Someone in a transport of phrasemaking once called cinema a window on the world. But windows look inward as well as outward. And there is often less excitement in a view of the street, where humdrum life dictates the picture, than in a view into a shop window or someone's home. In these places personal artifice sits, bizarre, colourful, Sphinx-like, daring us to judgment.

Reunion, directed by Jerry Schatzberg (*Scarecrow*) and scripted by Harold Pinter from a novel by Fred Uhlman, is filmed in a demure monochrome that matches its street-watching soul. This is net-curtain movie-making. Framed by present-tense scenes in which German-American lawyer Jason Robards travels to Stuttgart on some ominous, unnamed mission ("I have to take care of this thing"), the movie peers out into the past in an extended, explanatory flashback to Robards's boyhood.

Time: 1930s. Place: Germany. The young JR (Christien Anholt) befriends a Jewish schoolmate (Samuel West). He comes to realise that the warm-hearted, intellectually gifted boy, who reads Freud and talks philosophy, is a target for heat-seeking missiles of anti-semitism. He sees these prejudices growing and thriving among his equals and elders: in the girlfriend who bubbles "Can't you feel the new spirit in Germany?" in the lectures of a Jew-hating history professor, in the Jewish boy's own snobbish, anti-Zionist father. And he realises, though he cannot fight it, that it is all Wrong.

Oh dear. This is an earnest, conscientious film and in a wicked world how can we complain about it? The audience feels as if it is queueing up in a health-farm canteen, waiting to have its plate filled with spiritual nutrition. It may not be fun, but we know it is good for us.

But then is it? Judged as a movie rather than an intention, *Reunion* is not only dull, it is oddly cowardly. Its die-straight little fable never deviates into surprise. Its sepia-toned visuals plink out pre-determined period aperçus, like notes on a parlour piano. And thanks to its flashback structure, it is filled with that wise-beyond-contradiction historical hindsight that leaves the audience nothing to do but to nod in stultified consent. Is anyone going to say, "Them Nazi times weren't so bad after all?"

Ideological impertinence: Victoria Abril in 'Tie Me Up! Tie Me Down!'

We much prefer the sly farce and ideological impertinence of Pedro Almodovar's comedy *Tie Me Up! Tie Me Down!* After male bonding in Nazi Germany, here is female bondage in post-Franco Spain. A beautiful porno movie-star (Victoria Abril) is kidnapped by a gentle maniac just released from a mental home (Antonio Banderas). She is held hostage by him in her apartment until she should fall in love with him. Can she so fall? Will she? But of course.

From the director of *Women On The Verge Of A Nervous Breakdown*, here is a film that has had feminists on the verge of a nervous breakdown. A tale of male aggression being rewarded with love seems a kamikaze notion in today's sexual-political climate. But the film saves itself by its poker-faced unseriousness. Spoofing itself as it unspools, this a post-modernist fairy tale. Shot in Almodovar's lollipop colours, it parades his customary outrageous characters – the butch lady biker who sell drugs, the lecherous wheelchair-bound film-maker (played by Bunuel veteran Francisco Rabal) – in a story that has a crazed tragicomic logic.

No, we cannot approve of Señor Banderas's behaviour (except that he seems a disturbed innocent rather than a wicked schemer). We cannot endorse his use of rope and dope to control his captive (except that both he and she, after a while, seem to find it rather titillating). In short we cannot sit here and watch this seditious nonsense: except that we do.

The reason the movie packs such an exquisite punch is that it dares to surprise us. Where bad cinema (*Reunion*) parades a fake courage by attacking yesterday's discredited orthodoxies – it stands up to be counted long after everyone else has sat down – good cinema (*Tie Me Up...*) displays real courage by challenging today's orthodoxies. These orthodoxies, far from being discredited, are so strong they virtually gag dissent. Feminism may be 99 per cent right, one per cent wrong in its aims and beliefs. But until it is proved 100 per cent right, every artist has the right to poke at its dogmas with a sharp, red-hot stick: even if cries of pain or outrage – or laughter – result.

★

Cries of pain and laughter may accompany, for different reasons, screenings of *Moon 44* and *Listen To Me*. The first, directed by Roland Emmerich, is a certifiable sci-fi romp concerning dirty deeds on a mining planet. Troubleshooter Michael Pare goes to sort out some intergalactic hi-jackers and gets bogged down in B-movie dialogue, dotty co-stars (Malcolm McDowell, a robot) and Special FX from an *Alien* clearance sale. I most keenly identified with the young navigator who, impaled by falling debris in the grand action finale, mutters "Oh God, who needs this shit."

Listen To Me is little better. Can love flower in an American college debating team? Yes indeed. And jealousy, envy and other heartwarming things. Writer-director Douglas Day Stewart (*An Officer And A Gentleman*) hews a genteelly deranged tear-jerker somewhere between "Dead Debaters Society" and "Honey, I Shrunk The Audience."

Nigel Andrews

Sunsets and Glories

WEST YORKSHIRE PLAYHOUSE

In a theatre of pygmies, starved of the wherewithal and increasingly the way, to confront large themes with large structures, Peter Barnes is a colossus whose returns to the stage every three or four years serve as a salutory reminder that there is more to it than two men and a dog.

With *Sunsets and Glories*, his first stage play since the 1985 award-winner *Red Noses*, he addresses the vexed issue of power and piety. His protagonist is the 13th century hermit Peter di Morrone, briefly dragged down from his mountain top and installed as Pope by a college of cardinals stumped for a way around their internecine bickering.

Morrone's predecessor, in an opening scene that is vintage Barnes, is "a middling sort of man" who professes to have lost God when he gained St Peter's chair and who is unceremoniously stomped by a huge celestial foot, the first of a battery of design extravagances offered by Fotini Dimou.

The foot, like much of the humour, is straight out of Monty Python. Barnes' strength is his ability to entertain without trivialising his central theme, which is the nature of goodness and the possibility, or otherwise, of its conciliation with the bad old, mad old world.

We first meet Freddie Jones' Morrone, a tubby, bewhiskered figure, looking less an ascetic than a department store Santa, draped Christlike from a cross in the wilderness. The surreal humour continues as this ridiculous innocent is dragged down to earth and showered with blank papal mandates by a king and queen (Michael Mears and Geraldine Fitzgerald, sublimely, caperingly unregal) and a collection of worldly divines, led by Jimmy Logan's whoring Gaetani, Morrone's successor as Pope.

However absurd these people are, and however absurd their power games (ranging from a farcical communal sleepwalk, courtesy of *Macbeth*, to a charade of angelic prompting by rival Archangels – one a queen, the other a common whore), Barnes is careful to dignify all his characters with consciences, if only to be ignored. Even Murray Melvin's tongueless manservant, butt of a running joke about inaudibility, is accorded his moments of wounded dignity; enough to remind one that mutilation was a political reality.

Stuart Burge's direction holds the play in an large embrace, a little loosely at times as the stage machinery is cranked up and down from the sprawling Quarry stage, but in tune with the ever-changing register of Peter Barnes. It is a tribute to the stature of both play and production that by the end they can stand the damp-eyed, disconsolate figure of Freddie Jones in a pool of light in confidence that we will believe him divine. The producers of *Bernadette*, that other, less felicitous recent hymn to saintliness, will tell you how miraculous an achievement that is.

Freddie Jones

Claire Armitstead

Kirkby and Varcoe

ST JOHN'S, SMITH SQUARE

The 20th anniversary series at St John's, Smith Square has comprised a mixed selection of events, including the odd celebrity appearance. The duo recital by Emma Kirkby and Stephen Varcoe on Tuesday presumably sold on the strength of the soprano's name, though it cannot be often that her followers find themselves trespassing as far from the singer's native territory as the songs of Mozart and Beethoven, let alone the field of late Schubert.

It proved to be an evening of very delicate sensibilities indeed. Instead of the modern grand piano that is still customary at song recitals, even though period instruments have invaded everywhere else, a fortepiano provided the accompaniments in the safe hands of Peter Seymour. The difference was extraordinary, for dynamics, colour, weight, every aspect of the singing, suddenly had to be tailored to its tiny sound.

So genteel was the atmosphere in the hall that when somebody in the row behind whispered cautiously, "It's all rather bland, isn't it?", the comment seemed enough to shatter the decorum of the whole evening. And yet there was a lot of truth in it: songs were coming and going with little to suggest what might make a piece different from the one before or the one after.

The baritone Stephen Varcoe, well known from his appearances with the Songmakers' Almanac, scaled his voice right down for the occasion. In the first half he addressed himself to the comic songs of Haydn and Mozart, very politely, without much rough-and-tumble. After the interval more of the vivid personality we know he possesses started to come out in Schubert's "Philoktet" and "Orest auf Tauris," part of an imaginative group featuring Greek tragic heroes.

Emma Kirkby herself was on fine vocal form, ravishing in Haydn's "Minna" and making a lovely, pure heroine in Schubert's "Iphigenia". But there are times when one doubts if she cares about the words or is even on speaking terms with the consonants. Without a grip on the poetry the loftiness of Schubert's vision simply cannot be communicated. If we are to scale down this music for period performance, must we also expect to reduce its greatness by the same margin?

Richard Fairman

ARTS GUIDE

June 29-July 5

EXHIBITIONS

London

The Royal Academy. The 222nd Summer Exhibition is the oldest established and largest open submission exhibition in the world. It covers the broader centre ground of professional British art. Daily until August 19; sponsored by the Dai-Ichi Kangyo Bank.
The Tate Gallery. On Classic Ground: a large exhibition devoted to French, Italian and Spanish art of the first four decades. Until September 2; sponsored by Reed International.
The Royal Academy. Modern Masters from the Gelman Collection: a self-explanatory exhibition of masterpieces of the 20th century. Until July 15; sponsored by Guinness.

Paris

Centre Georges Pompidou. Andy Warhol. Some 200 works retrace the career of the multi-facetted artist who became one of the main representatives of American *Pop Art* and part of the *Underground Culture* scene. Beaubourg. Closed Tue, ends Sept 10 (42771233).
Grand Palais. Joseph Wright of Derby. Some 80 paintings and 30 drawings sum up the career of the 18th century portraitist who introduced the *chiaroscuro* into English art. Closed Tue, Wed late closing, ends July 23 (42896410).
Galerie d'Art Saint Honoré. A Flemish 15th century retable. Around a large-sized 15th century Adoration of the Magi painted by an anonymous artist who combined to great effect northern realism with more than a dash of Italian mannerism, Monika Kruch assembled other works of religious inspiration. 267 Rue Saint Honoré (42601503), open Mon-Fri. Ends Sept 15.
Bagatelle Chateau and Trianon. Vienna 1815-1848 – the Biedermeier period. Vienna's museums have lent some 250 pieces of furniture, porcelain, paintings and objets d'art for an exhibition of the style which expressed the Austrian capital's changed mood after the turmoil of Napoleonic wars – the Biedermeier style. Bois de Boulogne. Ends August 15 (45012010).
Galerie Odermatt-Cazeau. 19th and 20th Century Masters. Ends July 28 (42669258).
Grand Palais. Pre-Columbian art in Mexico (1500BC – AD1521). Closed Tue, late closing Wed. Ends July 30 (42895410).

Martigny

Fondation Pierre Gianadda. Modigliani. Some 50 oils, as many drawings and some sculptures form an important restrospective of the Italian-born artist living at the beginning of the century. Open all days. Ends Oct 28 (26/223978).

Brussels

Musée d'Ixelles. 71 Rue Jean Van Volsem. La Poetique des Peintres Italiens a l'Aube du XXe Siècle. Closed Monday.
Fondation pour L'Architecture, 55 rue de L'Ermitage. Brussels, City of Architecture 1890-1958. Closed Monday.
Hotel Communal de Schaerbeek. Peintres de la Lys: Belgian Expressionist painters. Closed Sunday; ends July 20.

Antwerp

Rembrandt Bugatti and Belgian Animal sculpture (1860-1930) closed Monday ends July 29. Hessenhuis, 53 Falconrui.

Rome

Braccio di Carlo Magno in Piazza San Pietro: Michelangelo and the Sistine Chapel. This exhibition marks the end of a 10-year project by Vatican restorers on the ceiling of the Sistine Chapel, and carefully documents the techniques used and the difficulties encountered by the restorer. Ends July 10.
Palazzo Venezia: Art for Popes and Princes of the 17th and 18th centuries. Over 70 large and exuberant canvases from the country seats of popes, cardinals and the Roman aristocracy in the area stretching south of Rome.
Galleria Nazionale d'Arte Moderna. Fabrizio Clerici retrospective. Ends Sept 16.

Florence

Palazzo Vecchio. The age of Masaccio: tying in with the reopening of the Brancacci chapel in the Church of the Carmine after a six-year restoration on the cycle of frescoes by Masaccio and Masolino, are 109 works by painters and sculptors who worked in Florence in the golden years between 1401 (the date of Masaccio's birth) and 1440. Ends Sept 30.

Naples

Castel Sant'elmo. In the Shadow of Vesuvius: Naples through the eyes of European artists between 1400 and 1800.
Ends July 21.

Venice

Palazzo Ducale. Titian. This exhibition, which marks the 5th centenary of the painters birth, is the largest for over 50 years. Ends Oct 7 and transfers to Washington.

Bologna

Galleria d'arte Moderna. Giorgio Morandi retrospective. Over 200 works lent by Italian and foreign museums celebrating the centenary of the painter's birth. Ends Sept 2.

Mannheim

Städtische Kunsthalle, Moltkestr. 9. Emile Bernard, a painter always in the shadow of Van Gogh and Gauguin is honoured with a retrospective of 170 early paintings. Ends August 5.

Essen

Villa Huegel 15. St Petersburg around 1800. With 555 pieces on loan from Leningrad's state Hermitage Museum, the exhibitions detail the developments of Russia from a great empire to a European power. Ends Nov 4.

Madrid

Museo del Prado. Sanchez Coello (1531-1588). Some 50 paintings by this Spanish artist born in Valencia, predecessor of Velazquez. Ends July 30.
Fundacion Caja de Pensiones. Georg Baselitz. Exhibition of this German artist's 1980's production, including paintings, sculptures, linocuts, pastels and drawings. Ends July 15.

Barcelona

Fundacion Caja de Pensiones. Edwuard Ruscha retrospective. Closed Mon. Ends July 15.

New York

New York Public Library. More than 125 documents of the Abolitionist Movement display the spirit and drive of the long effort to free the slaves. Ends Sept 15.
Museum of Modern Art. The first retrospective in America in 25 years marks the 80th birthday of Francis Bacon with 60 works dating back to his figure studies of the 1940s.
Metropolitan Museum of Art: The Russian Taste for French painting, representing three centuries of French masterpieces from the Hermitage and Pushkin Museums, covers Poussin to Matisse. Ends July 29
Museum of Modern Art. New York gets to see the internationally organised exhibit of Matisse's paintings and drawings from 1912 and 1913 during the critical period of his Moroccan stay. Ends Sept 4.

Washington

National Gallery. More than 90 prints by Edvard Munch show the Scandinavian artist at his most colourful and prolific.
National Gallery. More than 10 media are included in the major show of 112 of Jasper Johns's drawings over 35 years. Ends July 29.
Hirshhorn Museum. Paintings, drawings and sculptures from the Bay Area figurative movement of the 1950s and 1960s.
National Museum of African Art. The national tour of artistic and religious objects, much of it sculpture, encompasses nine centuries of Yoruba civilisation. Ends Aug 26.
National Museum of Women in the Arts. The first major retrospective of the work of Dame Elizabeth Frink includes 60 sculptures and 25 drawings. Ends July 4.

Chicago

Chicago Historical Society. The Land of Lincoln does its most famous citizen proud in the exhibition A House Divided. America in the Age of Lincoln.
Art Institute. Monet's series paintings, including Haystacks, Poplars and Rouen Cathedral, all from the 1890s.

Tokyo

Teien Museum. Perfume Bottles by René Lalique. Closed alternate Wednesdays.
Tobacco and Salt Museum. Edo Period Publishing. Illustrated books from the period when Japan was closed to the outside world. Closed Mondays.
Riccar Museum. Landscape Ukiyoe. Woodblock prints by Hokusai and Hiroshige, who established a new indigenous landscape tradition in Japan in the early 19th century.
Shoto Art Museum, Shibuya. Japonisme. Exhibition of over 150 prints by late 19th century artists such as Whistler, Pissarro, Toulouse-Lautrec and Manet, who were influenced and inspired by Japanese crafts and ukiyo-e woodblock prints.

SALEROOM

Stale goods fail to sell

The importance of offering fresh goods to the market was well illustrated at both Sotheby's and Christie's yesterday when two basically successful auctions – of Old Master paintings and of clocks and watches – were sabotaged by the failure of the two most important lots to find buyers because they had recently been hawked around the trade.

Sotheby's was ambitiously hoping for between £2m and £3m for "The Hare in the Forest" by the 16th century German artist Hans Hoffmann. It was commissioned by the Emperor Rudolf II, who paid a hefty 200 guilders for it in 1585. It is Hoffmann's only known oil of an animal and was uncovered in Yorkshire after years of oblivion in 1983 and sold at Sotheby's then for £407,000. The new owner cleaned it up and tried to cash it in, but bidding tailed off at £1.1m.

This apart the Old Master sale went well, totalling almost £7.5m, with 28 per cent unsold. The London dealer Agnew paid £2.75m, at the low end of estimate, for "The Martyrdom of St Bartholomew" by the Spanish artist Ribera who dominated Neapolitan artistic circles in the early 17th century. It, too, disappeared – into a Scottish home – for centuries and was unearthed by Sotheby's in 1983 who sold it then for £660,000.

A flower painting by Ambrosius Bosschaert the Younger made an even quicker re-appearance under the hammer. Two years ago it sold at Christie's New York for £305,556. Yesterday it managed £352,000. A rare early 15th century fresco by Perugino, in poor condition, made £341,000, and Hazlett Gooden Fox paid the same sum for "An Assembly of Birds" by Melchior de Hondecoeter. Another London dealer, Johnny Van Haeften, paid £335,500 for a still life of birds by Georg Flegel.

Christie's was offering four bracket clocks by the most famous name in English clock making, Thomas Tompion, who flourished at the end of the 17th century. One important example, in olivewood, was unsold at £125,000 because it was stale, but a miniature bracket clock with a metal case by Tompion went within estimate for £275,000 and two other Tompions sold for £198,000 and £77,000. The latter was from the Rous Lench collection and another clock from this source, a grande sonnerie bracket clock by Daniel Delander, who learned his craft from Tompion, did well at £82,500. Early watches did well and a French watch in the shape of a tulip, made by Sermand in Paris around 1640, doubled its estimate at £33,000.

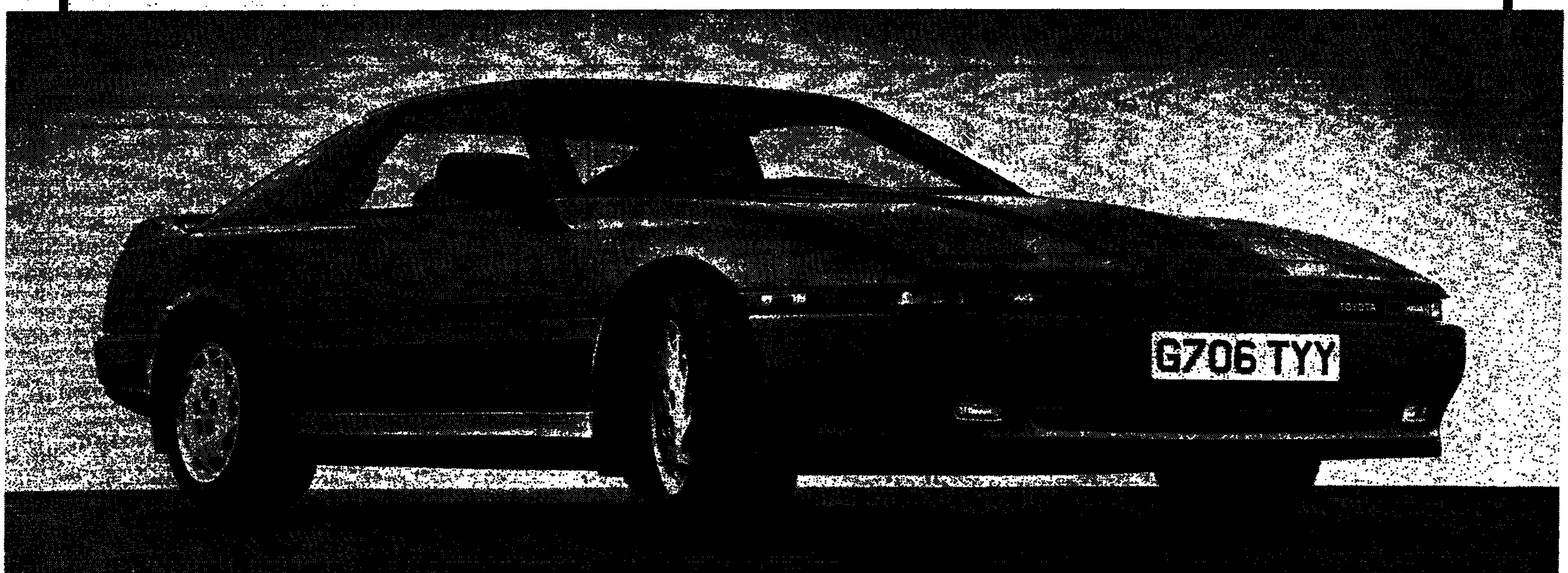
Christie's South Kensington'stribal art auction topped £1.1m, with an Austral Islands necklace making £99,000.

Antony Thorncroft

Excellence need not 秀 be the enemy of value.

ANOTHER IMPRESSIVE SET OF FIGURES FROM TOYOTA.

Air Conditioning	£00.00
Limited Slip Differential	£00.00
Anti-Lock Brakes	£00.00
Cruise Control	£00.00
Electric Seat Adjustment	£00.00
Catalytic Converter	£00.00
3-Year Warranty	£00.00
Total	£00.00



They're not the figures to set your pulse racing.

But any other manufacturer would be hard pressed to match them.

They mean that when you buy a Toyota Supra 3.0i or Supra Turbo, the so called extras don't cost extra.

They're all standard.

No less impressive are our other figures. The Supra Turbo goes from 0-60mph in 6.1 seconds. And it's capable of reaching 153mph.

At such speeds, it's kept superglued to the road by a double wishbone suspension normally found on formula one racing cars.

While there's also the option of an electronically-controlled automatic transmission. It 'talks' to the engine and senses any impending gear changes. Allowing you to change up and down with greater smoothness. And what does this all add up to? £30,000? £35,000?

TOYOTA 3 FREE YEAR WARRANTY

Some manufacturers would happily charge you this much, but not Toyota.

The Supra 3.0i costs as little as **£20,470*** and the Supra Turbo **£23,526***. Call 0800 300 700 for the address of your nearest dealer.

TOYOTA SUPRA

*Prices include car tax and VAT but exclude number plates and delivery charges.

FINANCIAL TIMES
NUMBER ONE SOUTHWARK BRIDGE, LONDON SE1 9HL
Telephone: 071-873 3000 Telex: 922186 Fax: 071-407 5700
Thursday July 5 1990

Nato's new mission

THE speed of events in eastern Europe since November last year has left governments and, particularly, military alliances too often lost for new policies. Nato, which has been no exception to the rule, has a chance to remedy this situation in London today and tomorrow, when its leaders meet for what has been heralded as one of the most significant western summits in recent years. That ambitious description is justified by the fact that the whole series of east-west negotiations on arms control, the external aspects of German unification and the future European security framework, will be greatly influenced by the outcome of the Nato deliberations.

Members of Nato have always claimed that theirs is much more than a military alliance. Though forged more than 40 years ago to counter a growing Soviet military threat, the alliance has a specific political dimension which its Warsaw Pact rival has always lacked. As clearly stated in its founding Treaty, it is an association of peoples determined to safeguard "the principles of democracy, individual liberty and the rule of law." But now that the Warsaw Pact is disintegrating as a military alliance and that the same democratic principles are being adopted in eastern Europe and even the Soviet Union, the time is ripe for a fundamental review of *Nato's role in the world.*

Present trends

There are some who argue that both the western and eastern alliances should be completely subsumed in the new east-west framework, of which an institutionally strengthened Conference on Security and Co-operation in Europe (CSCE) would be the centre-piece. If present trends continue, that might well be a desirable long-term outcome. At this early stage, however, when the political situation in the Soviet Union and Eastern Europe remains highly uncertain, it would be singularly ill-advised for Nato to hasten its own demise. It is too easily forgotten that, apart from making an essential contribution to preventing major wars over the past 40 years, Nato has also been the principal instrument for linking the US politically and militarily with Europe.

What the western leaders should strive to do at this point is to flesh out their embryonic ideas about how the new European security structure is going to function. So far, most of the proposals have come from eastern Europe, with East Germany, Poland and Czechoslovakia suggesting regular foreign ministers' meetings, as well as the creation of a permanent CSCE Secretariat and centres for arms control and the settlement of conflicts.

Constant emphasis

A greater enthusiasm for the CSCE, instead of the constant emphasis in communiques that it would be no more than "complementary" to Nato and other institutions in the construction of a new Europe, should be an essential element of the assurances Moscow is seeking on Nato's new image and peaceful intentions. The provision of such assurances, which include President George Bush's proposals for modifications of Nato's long-standing flexible response strategy, must be one of the summit's major objectives. Having dug a hole for itself by its strong opposition to a united Germany's membership of Nato, the Soviet Union should be given the means to save face when it finally *changes its mind on the subject*, as is generally expected.

It matters little that Mr Bush's proposal that nuclear arms should be "weapons of last resort" does not in practice undermine the traditional doctrine of "first use" of nuclear weapons when conventional defence has proved ineffective. What is important is that it enables Moscow to present the decision as a significant modification of Nato's allegedly offensive military strategy.

The London summit's main task is to clear the way to German unification and to lay the groundwork for Europe's new security structure by sending the right signals to the other side. If, in the process, decisions on the alliance's future nuclear strategy are fudged or delayed, that is an acceptable price to pay for the considerable international gains to be made.

A British baccalaureat

THE most striking shortcoming of UK education policy in the past decade has been the failure to develop a coherent curriculum for 16 to 19 year olds. Ministers still doggedly defend Advanced (A) level examinations even though these were designed in the 1950s for a tiny university-bound elite. As a consequence, bright students receive an over-specialised education (usually studying at most three subjects for public examination) while the bulk of the age group is prematurely tipped into the labour market. Some vocational training is available for early leavers but it is often narrowly job specific and usually of poor quality.

Recent years have seen increasingly vociferous demands for reform but, as yet, little government action. The most frequent call is for a broadening of A levels along the lines proposed by the Higginson Committee in 1988 coupled with a concerted effort to improve the rigour and availability of employer-based training. The assumption underlying such conventional wisdom is that a division into academic and vocational streams is inevitable but that both categories deserve a better deal. The ultimate aim of many reformers is to create the kind of educational and training opportunities available in West Germany under the celebrated "dual system."

Unified qualification

Such an approach is roundly rejected in A British Baccalaureat, a new pamphlet from the (mildly) left-leaning Institute for Public Policy Research. The IPPR doubts that British employers would ever put sufficient stress on training to make the German route feasible, partly because institutional structures, such as powerful chambers of commerce, are missing. More important, it regards the German system as unacceptably divisive. Selection starts at the age of about 10 when children are split into three groups: future apprentices go to either Hauptschule or Mittelschule while the academic cream enter the Gymnasium.

The IPPR argues that low British education performance mainly reflects the divisions in the present system. Post 16, it points out, academic pupils are divided from the rest through different institutions, different curricula, different modes of study and above all different qualifications. In place of this educational obstacle course, it proposes the creation of a single, unified qualification at 18: the Advanced Diploma or British Baccalaureat. And in order to encourage the majority of students to stay on to take the diploma, it wants to abolish public examinations at 16.

'Core' courses

The British Bac, unlike previous 18 plus exams, would be designed to cater for the great bulk of the age group. It would replace both A levels and existing vocational qualifications. There would be scope for individual choice but all students would have to follow "core" courses in three broad domains of study: natural sciences and technology; social and human sciences; and arts, languages and literature. The diploma would involve a balanced mix of academic, practical and community or work based courses.

This central change in the structure of the examination system would be supported by various institutional reforms such as the creation of a unified Department of Education and Training and a rapid expansion of tertiary colleges in place of traditional school sixth-forms. The IPPR is keenly aware that reform is likely to succeed only if the pull of the labour market at 16 can be weakened. It proposes a legislative requirement for study day release for young workers.

The authors are almost certainly right to argue that no amount of tinkering with separate academic and vocational curricula will overcome the problems posed by the division itself. Put simply, so long as a separate academic stream exists, vocational qualifications will be regarded as second rate. The postponement of public exams to the age of 18 will strike many as daring but it only brings the UK belatedly into line with practice abroad. A complete overhaul of this kind is probably the only way to reverse a century of educational policy that has concentrated on selecting an elite rather than educating the majority.

ECONOMIC VIEWPOINT

How to save Ecu plan

By Samuel Brittan

The key economic discussions this weekend and early next week will not be at the Houston summit, but at Basle, where the governors of the European Community central banks will meet.

This will be their first opportunity to examine the new British plan for a hard Ecu. The president of the Bundesbank, Karl Otto Pöhl, rightly concentrated in his IEA Special Lecture in London on the need to face up to the loss of sovereignty implicit in the abandonment of exchange rate adjustments in a European Monetary Union, and the consequent need for a European central bank committed to price stability and able to pursue it independently of national or Community institutions.

Nevertheless, he did less than justice to the British proposals. For a great deal of work has been done, particularly in the Bank of England, to devise a new kind of Ecu, which *would not bring the inflationary* dangers which the Bundesbank president rightly sees in most previous plans and which could be helpful before the full Monetary Union is reached.

A moderately important innovation is the definition of the hard Ecu, which will never depreciate against any member currency and therefore always rise with the strongest. While the D-Mark has up to now been the most satisfactory standard of value for hard currency contracts, there can be no harm in having a standard which will perform even better, should the D-Mark occasionally fall from grace.

There are purposes for which payment in a batch of currencies, rather than a single one, may be suitable, and the hard Ecu should remove inhibitions. Moreover, if there is ever going to be a single European currency, it will help if people are familiar with the units before general conversion. (Citizens of East Germany were already familiar with the D-Mark, as any westerner who tried to pay in East Marks in the old days soon discovered.)

The most important innovation in the British plan relates, however, to the operations of the proposed European Monetary Fund. National central banks will have to be prepared to repurchase their own currencies for Ecus, or equivalent hard currencies, on demand by the Fund. If the Ecu catches on, this will be a powerful sanction against lax monetary policies, similar to the threat of a gold drain under the Gold Standard, or a reserve drain under Bretton Woods.

The Bundesbank is an agency to which policy for promoting price stability has been delegated

Indeed, I wonder if many of the Bruges Group supporters now so enthusiastically promoting the hard Ecu understand this feature. Some of the Prime Minister's own remarks make one wonder if she accepts the implications. For the redemption obligations would amount to a severe penalty on any tendency to adjust parities any weekend in line with Mrs Thatcher's own personal interpretation of the EMS (at least when these realignments are in a downward direction).

Thus, if the new Ecu were successful the European Monetary Fund would have considerable power over national central banks, and indeed would be an embryonic Eurofed. By downgrading all these aspects the Prime Minister is playing into the hands of all those in the Community who want to sideline the idea, and is also making a mockery of the hard work put in by UK officials.

The biggest shortcoming of the British plan is that it provides little guidance on when the conditions are right for moving to the final stage of full Monetary Union. Let us suppose that after several years ECU payments account for, say, 8 per cent of Community GDP. Does that mean that the Community is not ready for a single currency?

Not at all. Does the fact that most UK citizens continued to make contracts in sterling throughout the 1970s show that they were indifferent to high and fluctuating inflation? Historical evidence suggests that inflation has to reach Latin American rates before most people switch into alternative currencies. But this does not mean they are contented, as successive election results show. People would prefer a currency of stable internal and external value, even if they are not prepared to undergo the inconvenience of switching to a second "parallel" currency to avoid their own.

An analogy is emigration. Even under quite tyrannical regimes most of the population do not emigrate. But they can still be highly discontented and desire a change of regime, as we know from eastern Europe.

It is the rigid refusal to accept a European central bank and common currency even as distant and conditional aims which prevents British technical ideas from being taken seriously. Mrs Thatcher's constant refrain, that a Eurofed would be unaccountable, confuses accountability with obedience to government. There are plenty of others ways in which Eurofed would be made accountable, for example, to the European or national parliaments, as the Fed is to Congress.

Worst of all the Prime Minister confuses liberal democracy with the unfettered right of elected governments to do what they like. The judges are not accountable to the government or even parliament. For electorates have accepted that justice is more likely to be done if judges are at arm's length from the political process. They could equally decide to put the control of money at *a distance from electoral* short-termism. It is appalling that the right wing tanks, who are always preaching about the iniquities of the "vote motive" and the need for limits to government powers, are so ready to jettison their own beliefs just to stay in Mrs Thatcher's good books.

* * *

The great attraction of the Delors-Pöhl Eurofed is that not only would its directorate have a high degree of independence, but the national governors would be pledged to act independently.

Mr Pöhl did much to clarify the meaning and limitations of central bank independence in the more "German" parts of his speech and in answers to questions. Like most other experts he would have preferred a step by step approach to German unification (which is why experts should be on tap but not on top on historical occasions). He kept on repeating that the Bundesbank was not a separate government but an agency to whom the task of promoting price stability – but not of making state treaties – had been delegated.

The conversion ratio for East Marks was also a political decision. But he did point out that the weighted average conversion ratio for was not "1 for 1" but 1 for 1.8. The newly created Marks added about 10 per cent to the broad West German money supply, roughly in line with the addition to productive capacity from the accession of the GDR. Moreover the new holders do not seem to embarking on a spending spree.

Mr Pöhl expects public sector borrowing to rise to about 3¼ per cent of GDP by 1991 as a result of official help for the *GDR and the financing* of GDR public deficits. He believes the increase could be justified "but only temporarily in the light of special circumstances". Indeed, interest rates have already risen in anticipation.

Theoretically the cushion of a DM100bn current balance of payments surplus, corresponding to a third of the national savings total, is available to help restructuring in the East. But as German exporters will not give up lightly hard-won world markets, the main scope for relief comes from higher imports, which the OECD sees flowing directly into the GDR.

The OECD forecasts accordingly show little more than a levelling off in the Federal Republic's external surplus, but a more notable falling of for the whole of Germany resulting mainly from increased East German imports from the rest of the world, where supply contraints are less.

Mrs Thatcher confuses accountability with obedience to government

Some people may also be surprised to see that the Federal Republic has a balance of payments *deficit* with East Germany. This is because its export surpluses are more than offset by cash transfers to the East. Here is just one more illustration of how misleading the current balance of payments can be as a measure *of economic strength.*

The disappearance of balance of payments figures between the two parts of Germany will be one minor but definite blessing from the unification process. Its disappearance inside western Europe as a whole will be not least of the advantages of full Monetary Union.

German balance of payments

Federal Republic with GDR

	1989	1990	1991
Exports	3.9	9.0	18.8
Imports	3.6	4.0	4.5
Trade balance	0.3	5.0	14.3
Total services	0.7	0.0	1.6
Transfers	–1.7	–10.4	–18.1
Current balance	–0.7	–5.4	–2.2

German union with rest of world

	1989	1990	1991
Exports	340.0	405.6	446.9
Imports	261.7	313.6	360.3
Trade balance	78.3	92.1	86.6
Total services	–7.4	–10.5	–11.6
Transfers	–18.3	–21.5	–22.4
Current balance	52.6	60.1	52.6

Source: OECD

OBSERVER

World Cup special

■ Japan is not best known for its interest in football. And those Japanese who wanted to follow the World Cup did not find it easy to do so. NHK, the national television station, decided in its wisdom to broadcast only the last stages of the tournament. It said it had a duty to Parliament to maintain a balance between sports and other kinds of programmes. Too much football would mean *less time for sumo and base*ball. So it only began to transmit live coverage from the Italy-Argentina semi-final.

However, NHK did deign to transmit earlier rounds of the tournament on its satellite channel. Thus fans who wanted to watch the whole of the World Cup had to spend upwards of Y100,000 on receiving equipment.

NHK denied it was trying to promote the satellite service, but admitted it had 400 complaints. This compares with 500 if a baseball game is interrupted, and 2000 when a sumo broadcast was halted for coverage of a session of Parliament.

Mandela views

■ Every speaker's nightmare came true for Nelson Mandela yesterday. Sir Brian Corby, President of the CBI, introduced the deputy leader of the African National Congress to an audience of 250 leading businessmen at London's Centre Point. A murmured consultation followed.

There would be an unavoidable delay, Corby said. Mandela and his speech were in different places. Ten minutes later a somewhat flustered aide arrived, speech in hand.

"I have had two problems this morning," Mandela told the assembly when eventually he reached the lectern. "One you already know about: my speech. But the other is more important. I've lost my spectacles and I'm wearing my wife's."

Whether Mrs Mandela, whose tendency to radical rhetoric sometimes embarrasses the ANC, would have approved of a text that urged the audience to invest in a post-apartheid, mixed economy South Africa, is another matter.

Menem to play

■ *"The referee was a disaster."* Thus spoke Carlos Menem, following Argentina's defeat of Italy in Tuesday's semi-final of the World Cup. Just turned 60, the Argentine President has had rather a jinxed year in office, but still thoroughly enjoys both watching and playing football.

Argentine political cartoonists have had a field day with his favourite hobby. The best cartoons are carried by the left-wing daily, Pagina 12. Yesterday's edition had an anxious Menem in telephone conversation with Carlos Bilardo, the Argentine team manager. Bilardo expresses fears for Sunday's final, given that three of the best Argentine players cannot play since they were booked in the last match.

"What a mess; what do you think about..." asks Menem. Bilardo interrupts: "No thanks, Carlos. You stay there."

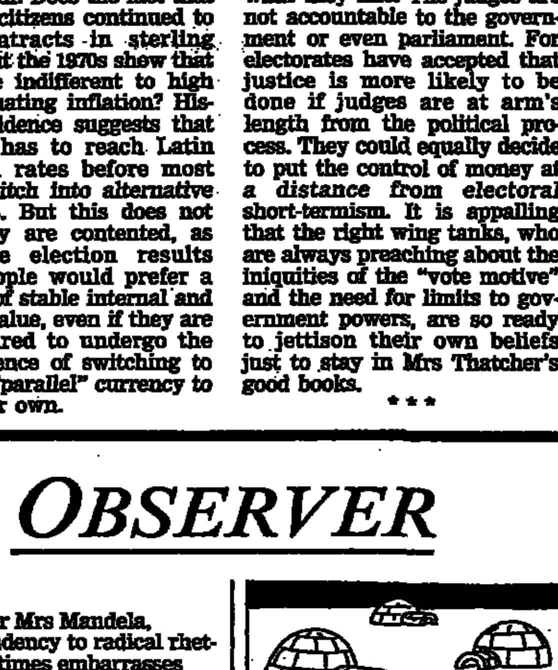
Welsh move

■ David Waterstone's decision to leave the Welsh Development Agency after seven years as its chief executive was not the best kept secret in Cardiff. He told the Welsh Office early this year of his intention to return to private industry. Still, he may have landed a plum of a job.

Waterstone is off to build up AHS, British arm of Compagnie Générale des Eaux, the French giant that with a £10bn turnover owns rather a lot in construction, telecommunications, water and energy services in France. "We want him to build AHS into a giant in Britain," says Bernard St André, who heads the energy section of the parent company in Paris.

Waterstone, now 54 and a former BSC high-flyer – he was a board member before he was 40 – says that seven years at the top of a quango is about enough.

A "substantial rise" over his present salary of £63,000 will smooth the path and help with househunting in Bath where his wife, Sandy, has a boutique. He intends to join the growing band of commuters from the Georgian city to his new office in west London.



"Not much of a time-share though, is it?"

Hard driving

■ How long does it take to drive from the Bank of England to Canary Wharf in the Docklands? A quarter of an hour? About 20 minutes? Half an hour?

The answer, according to Peat Marwick McLintock, is only 11 minutes. That, at least, is the result of a survey which Peat carried out last December for Olympia & York, the developers of Canary Wharf who are looking for ways to reassure future tenants about the project's poor transport links.

Harassed City workers may suspect that Peat did the survey in one of the company's Ferraris at 3 am. But we are assured that the figure was clocked up at the height of the morning rush hour on the basis of 40-50 observed journeys.

Chisholms

■ Thornhill Investment Management is holding a party today to celebrate five years of pretty successful business. Why do we mention this? For sentimental reasons really.

One of the founders of Thornhill was Colin Chisholm, formerly of Schroders, then Hambros. Colin is the son of Archie Chisholm, the founder of City Men and Matters, which was the forerunner of the present Observer column.

Archie subsequently became editor of the paper, having introduced Men and Matters in an attempt to brighten it up at a time when profits were falling and the budget was being squeezed. He had other distinctions. He worked in the London office of the Wall Street Journal, then became an executive with the Anglo-Persian oil company. He wanted to print the FT on white paper, but was overruled. In 1938 he became the first national editor to appear on television. After the war he went back to oil.

Archie Chisholm is still basically in good form at the age of 87. Son Colin says that the Thornhill business of managing investment for private individuals and family trusts is thriving.

Rotten river

■ Seen on the Thames at Richmond: a very rusty old motor boat. Painted on the side is "Cirrhosis of the River."

BOOK REVIEW

A multi-talented English eccentric

A Sparrow's Flight
Memoirs
By Lord Hailsham
Collins, £17.50. 463 pages

There have always seemed to be two Lord Hailshams: one of them wise and learned, the other a buffoon or what Lord Whitelaw would call a rogue elephant. The same goes for manners. At times he can be courteous and considerate; at others cantankerous almost to the point of rudeness. This book goes a long way towards explaining why.

It should be said at the start that it is a very good book indeed. As British political memoirs go, it is probably the best of the postwar bunch. The main comparisons would be with "Rab" Butler's The Art of the Possible, which as one would expect is more enigmatic, and Denis Healey's The Time of My Life. Where Hailsham scores over Healey is that his book is better structured, less name-dropping and more personal. Ultimately Hailsham has also had an even more interesting life than Healey.

It is the personal side that is the most riveting. Hailsham has not always been a happy man. His half brother, Edward Marjoribanks, committed suicide, and Hailsham has always felt himself at least partly to blame. He had a first marriage, not listed in Who's Who, which ended in tears, to put it mildly.

He was not usually especially well off – his periods at the Bar being interrupted by war and politics; nor was he always in the best of health. And his political prospects were uncertain from the beginning because his father as Attorney General had accepted an hereditary peerage.

That background no doubt helps to explain the outbursts of bad temper, if not the odd act of buffoonery, like ringing the bell at the Tory party conference. Indeed, Hailsham himself offers no explanation here and seems to regret that he acquired such a reputation. Perhaps it is sufficient to say that he always was a bit of an English eccentric with a touch of showmanship thrown in.

Yet that is not the full Hailsham. As he remarks on page 328: "If anyone has borne with me thus far, they will have realised that, if there is one thing to which I have been devoted since my earliest days, it has been enthusiasm for learning." It is impossible to dissent from that view. Hailsham is a scholar with a practical bent and an insatiable curiousity.

Where he was lucky was in having so many opportunities to put those attributes to use. Younger readers will remember him primarily as Lord Chancellor for much of Margaret Thatcher's administration, and perhaps gave a sigh of relief when he was finally replaced by the more reformist Lord Mackay of Clashfern. Hailsham, however, did not always appear as a stick-in-the-mud. In the Macmillan period he held one ministerial post after another, sometimes several together: Science and Education, Science and Technology, special responsibility for the north east and even sport.

The relationship with Macmillan was seldom an easy one. The two men had taken different views on Munich and probably never forgave each other. Yet Macmillan as Prime Minister came to depend on the Hailsham flair to the point of telling him that he wished Hailsham to succeed him. That conversation took place only a few days before Macmillan fell ill and goes a long way to explain why Hailsham leaped into the ring in the subsequent leadership contest.

Hailsham has few, if any, regrets. He has probably had the longest political career of any surviving politician, having served briefly in the wartime coalition. He had already written a memoir, The Door Wherein I Went, after the fall of the Heath Government in 1974. That seemed to be the end. Then came Mrs Thatcher and the prolonged return to office. Finally there is this much fuller account of his life.

The author can be sharp. He describes Churchill as a genius in a most careful use of the word, but he also writes that Churchill was one of the prime causes of the magnitude of the Tory disaster at the polls in 1945. "He had absolutely no idea of how other people felt or thought."

He is also humane. Hailsham was one of the first supporters of the Beveridge reform and of the Butler Education Act, which he thought should have gone further by granting equal pay for men and women teachers. He fell out with Enoch Powell over the "rivers of blood" speech, and would almost certainly have resigned from the shadow cabinet if Powell had not been sacked.

Where I think Hailsham deceives himself is in claiming that if it had not been for his father, to whom he was intensely loyal, he might well not have been a Conservative. Hailsham is a Tory through and through, though also an individualist. It is inconceivable that he could have belonged to any other party.

Over time he has added to the language. The terms "lobby fodder", "lunatic fringe" and, of course, "elective dictatorship" all came first from him. And he was responsible for at least one major innovation. It was Hailsham who called for the right to renounce the peerage before Tony Benn. Clement Attlee, the Prime Minister of the day, would have none of it.

A Sparrow's Flight is, in part, deeply religious. It is a compliment to Hailsham that I do not think any non-religious reader will find those sections embarrassing. This is a moving as well as an informative book.

Malcolm Rutherford

The revival of the fittest

Steven Butler says problems underlie North Sea activity

Good times have returned to the North Sea. Thousands of men are hard at work offshore, modifying platforms, installing safety equipment, and bringing new fields on stream. Exploration drilling should comfortably break the record set in 1984 for holes drilled. Aberdeen house prices have soared to levels set in 1985 before the oil price crashed.

"This is looking to be the best period we've ever seen in the North Sea," says Mr Ian Wood, chairman of the John Wood group, a private Scottish oil services group.

The revival of work is good news for the Scottish – and British – economy following the severe contraction that occurred in 1986, when projects were cancelled, fabrication yards closed and thousands of men laid off.

Oil production is a prime generator of government revenue and export earnings, likely this year to amount to £8bn and £3.5bn respectively. The industry also has broad spin-off effects in employment, manufacturing and exports. Mr Harold Hughes, director of the UK Offshore Operators Association, estimates that more than 100,000 men working onshore in construction and manufacturing jobs are supplying 31,000 offshore workers. In 1988 oil-related industrial investment accounted for 11 per cent of the UK total; oil and gas technology accounted for 8.5 per cent of UK exports. These figures are certain to be higher this year.

Several factors have spurred the North Sea revival:

- Confidence in the future of the industry has been restored, and has not been shaken by a sharp decline in oil prices again this year.
- The attractions of the North Sea, with the UK's extremely favourable tax regime, have been rediscovered by American oil companies as the prospects of finding oil at home decline.
- The UK Government has applied pressure on companies to drill old, under-explored acreage. This has coincided with an upsurge of drilling on acreage that the Government licensed to companies last year on the basis of commitments to drill.
- Offshore platform work has mushroomed as oil companies race to meet a government deadline for installing emergency shutdown valves by the end of the year. This is one of many safety measures stemming from the Piper Alpha disaster two years ago (in which 167 men died) that is leading operators to modify platforms.
- An entire generation of old platforms is being refurbished inside-out to extend productive life beyond the original expectations.

Yet in spite of these clear indications of resurgence, the oil industry is under strain. It is showing the uncomfortable signs of bumping against capacity limits in some sectors after having cut too far during the lean years. Skilled manpower is in short supply. With business overheating, a rapid cooling in the years ahead could force another painful contraction.

"I think this is a bit of a blip this year and next year," says Mr Chris Fay, head of exploration and production at Shell UK, the largest operator in the North Sea.

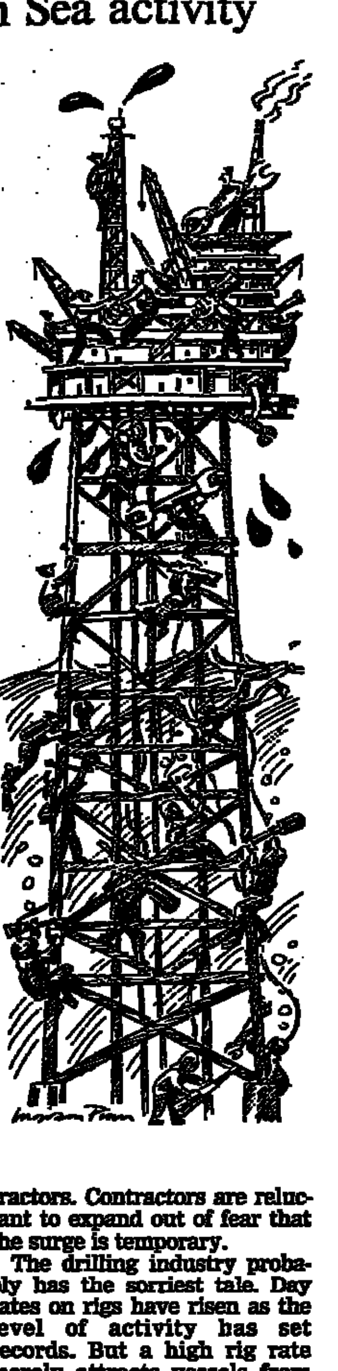
Even the welcome increase in work has had an uneven impact across the industry. Companies such as Mr Wood's, which put up skilled crews to perform work offshore, are thriving. Only a few months ago, Mr Wood was a leading critic of the oil companies for what he saw as a shortsighted policy of squeezing margins for contracting companies.

Mr Wood says, however, that this situation has now improved. Many operators are signing longer agreements that give contractors an incentive to invest in their business and their employees. Mr Wood believes these moves have taken a lot of steam out of the discontent that had surfaced among the workers. Even so, the industry could be vulnerable to industrial action this summer when platforms are shut for modification.

Engineering contractors are also facing potential troubles. Mr Norman Chambers, chief executive of Rockwater, says British design contractors will expend at least 6m man hours this year, an increase of more than 50 per cent from 1989 and double the 1988 figure. This level of work is straining the capacity of the industry.

Mr Chambers warns: "This overheated situation is leading to a no-win situation for the main players."

Delays are being forced on developments, while increases in equipment and personnel costs are squeezing the contractors. Contractors are reluctant to expand out of fear that the surge is temporary.



The drilling industry probably has the sorriest tale. Day rates on rigs have risen as the level of activity has set records. But a high rig rate merely attracts vessels from around the world, effectively placing a cap on rate increases.

Moreover, the UK offshore industry, which has been coddled and protected by the Government, is facing a more competitive environment as the single European market comes into force after 1992. European contractors are pressing for a bigger share of the business, and some are already winning contracts that would have been unthinkable even a year ago.

The single European market made an early arrival two weeks ago when British Petroleum placed big orders with French and Spanish fabrication yards that could just as easily have been placed at home, in a sector of the industry where there is still plenty of capacity. The European yards put in lower bids, yet in the past those same yards have not even made it to the bid list. North Sea operators have always feared that they would not be awarded exploration licences if they failed to support UK contractors.

The BP orders snatched away work from the yards when business was just recovering. The yards had been hoping that increased work would boost margins, but this now looks less likely. More important, big fabrication contracts are only the most visible end of a whole string of equipment orders that will be supplied from sites close to the yards.

UK operators can no longer exclude European companies from bid lists without risking intervention by Brussels. Mr John d'Ancona, director-general of the UK Offshore Supplies Office, which promotes the UK industry, this week said he would still have a job after 1992, ensuring that UK companies had a fair crack at contracts. He will certainly have his work cut out in dealing with continental competition, some of which will come from state-owned, integrated conglomerates in which hidden cross-subsidies are impossible to detect. As the guardian of the British supply industry, the OSO puts pressure on offshore operators to give full consideration to UK bidders.

Yet the underlying presumption among all UK operators that an order must be placed in Britain, in the absence of an overwhelming economic justification, will surely come to an end. British suppliers will undoubtedly face more intense and successful competition from European companies.

Oil companies are spending about £6bn a year in the North Sea. A high level of investment is certain to continue for many years. Last year, UK companies won 81 per cent of all the orders placed by North Sea operators – indicating that a strong industry has developed alongside the growth of oil production. If they are to continue winning the lion's share of business on merit they will need to invest in technology and human resources to beat off their competitors.

Judy Dempsey on the challenges facing the last bastion of Stalinism

Winds of change reach Albania

When ruling communist parties elsewhere in eastern Europe tumbled from power last year, the Albanian media poured scorn on the "bourgeois" and "right-wing" forces which succeeded them.

The leadership in the capital Tirana, which still looked to Stalin as the father of "real" communism, steadfastly refused to entertain any ideas of reform. Mr Ramiz Alia, head of the ruling Albanian Party of Labour, publicly repeated his determination to continue along the path carved out by the late Enver Hoxha.

In the past few days, that path has appeared to be approaching a dead end. Hundreds of young Albanians have demonstrated for change in Tirana; scores more have sought refuge in several western embassies, seeking a passage to freedom. The question is whether Mr Alia will be able to map out a more rapid programme for change for Albania's 3.2m people, for if he does not the chances are he will go the way of other discredited communist leaders.

Albania's chosen road was unique. At a time when the communist parties in eastern Europe were embarking on rapid industrial and social change after the Second World War, Hoxha chose to place Albania in a time capsule.

First Hoxha quarrelled with the west after the US and Britain tried to oust the APL from power. In the late 1940s, he broke with Yugoslavia following Tito's row with Stalin; in the 1960s, he refused to bow to Moscow's authority; in the early 1970s, he then fell out with the Chinese, who were becoming too reformist for comfort. He even refused to promote trade with either east or west for fear his country would be influenced by either of the superpowers. Albania remains an agriculture-based economy with little industry beyond chemicals plants and large chrome mines.

But as east-west tension vanishes and the winds of change blow into Albania, Mr Alia must choose which side to back: the intellectuals, youth and reformers in the APL who want to open up the country to the outside world, or the conservatives grouped around Hoxha's widow, Mrs Nexhmije Hoxha. The "embassy" issue presents Mr Alia with a choice: between pressing ahead with reforms and siding with the old guard.

The stakes are high. If Mr Alia allows the Albanians seeking refuge in western embassies safe passage out of the country, many more people may try to force their way into the diplomatic compounds. If Mr Alia instead clamps down, then the Albanians, hungry for change, could take to the streets in greater numbers.

Hoxha's statue looms over his birthplace Gjirokastër

The leadership was already alerted earlier this year to growing impatience with the slow pace of change. Industrial workers went on strike in January. Students shouted for reforms. Each time, the authorities used force.

Parallel to the repression, Mr Alia cautiously tried to bring Albania out of the Hoxha era. Last May, he lifted the ban on religious practices and he gave people the right to travel. He also tinkered with the economy by introducing incentives to improve productivity.

But the stampede into western embassies clearly indicates that Albanians want more change. The problem is that Mr Alia lacks the support in the APL to push through any economic, political and social reforms aimed at bringing the country out of its long, self-imposed isolation and its economic backwardness.

He is further constrained by the ghost of Hoxha, which today looms over the APL in the form of a giant statue in the former dictator's birth place in Gjirokaster. If Mr Alia or the reformers are to survive, they must dismantle the Hoxha legacy. But they face stiff resistance from the Hoxha clan, and if reforms begin to succeed they could stir up old rivalries between Albania's two tribes: the peasant Gegs, comprising Moslems and Catholics, who live in the mountainous north; and the more educated Tosks, Moslem and eastern Orthodox people who live in the southern plains and along the cost.

Mr Hoxha was acutely aware of the potential for violence between these two tribes. But he kept the warring factions at bay with repression, agrarian reform (which weakened the power of the Moslem landlords or *beys*), and deployment of the nationalist card.

Albanians rallied around Hoxha because he was seen as the guarantor of their independence, a cherished dream spanning four centuries and one they finally realised in 1920. But now, the intellectuals and the young are clamouring for change. They see little reason for Albania's continuing isolation. Thus, Mr Alia is torn between their demands and the strength of the conservatives. The question is whether he can continue to control change from the top.

He has little support in the APL. He can rely on his Prime Minister, Mr Adil Carcani, his foreign minister, Mr Reis Malile, and the younger generation of technocrats and diplomats. But these supporters are not numerous enough to defeat the Hoxha clan which is concentrated in the Ministry of the Interior.

The Hoxha clan belongs to the Tosk tribe which was the original engine behind the establishment of the Communist Party. But other factors weld clan members together in their opposition to Mr Alia: patronage, privilege and nepotism. They will be loath to relinquish their powers.

This tight mafia prompted Moscow radio to report in 1962 that "half, or more of the 53 members of the Central Committee of the APL are related... Enver Hoxha and his wife Mrs Nexhmije Hoxha; Mr Hysni Kapo and his wife Mrs Vito Kapo; Mr Josif Pashko and his wife Mrs Eleni Terezi. The wives of Mr Manush Myftiu, Politburo member, and of Mr Pilo Peristeri, candidate member of the Politburo, are sisters. The brother of Mr Hysni Kopo's wife is Mr Piro Kondi, also a member of the central committee..."

Mrs Kapo is today Minister of Light Industry, Mr Manush Myftiu is deputy Prime Minister and Mr Peristeri is chairman of the Party Control Commission. Mrs Hoxha retains her close links with the Interior Ministry and the hated Sigurimi, or secret police.

Mr Alia's political future depends on the young and the intellectuals. If they publicly lend him their support, then he can press ahead with reforms and even begin isolating the Hoxha faction. But the latter – backed by the Sigurimi – is likely to fight back.

This, in turn could unleash wider conflict. Ethnically, Albania is much more homogenous than multi-ethnic Yugoslavia next door, with a Moslem Majority and small Greek, Catholic and eastern Orthodox communities. But for deep-seated historical and cultural reasons, the country's two tribes – the Gegs and Tosks – loathe each other. The risk of violence is one Mr Alia will have to take. His Balkan neighbours are waiting nervously.

The most nervous neighbours are Yugoslavia and Greece. The Yugoslavs, particularly the Serbs, fear that any violence or unrest in Albania will spill over into Kosovo, a province that borders Albania. Here, restless ethnic Albanians want greater political autonomy from Belgrade and if nationalists have their way, union with Albania. Such a move would really set the Balkan tinderbox alight.

LETTERS

The 364 may have been too influential after all

From Professor D. McWilliams.

Sir, Mr John Shepperd asks (Letters, July 2) if the infamous 364 economists were so wrong and deplores their lack of influence in public debate on economic policy.

It would be easier to argue the opposite – that the 364 have been too influential and that the surreptitious acceptance of their views has been a prime cause of the inflationary difficulties we now face.

The 364 argued that "the time has come to reject monetarist policies" and that monetarism would not lead to lower inflation. Yet when monetarism was applied we had falling inflation; when monetarism was abandoned with no adequate substitute inflation after the usual lag climbed back up.

The 364 argued that a recovery could not occur under the policies of fiscal deflation set out in the 1981 Budget. In fact the policies were less deflationary than they seemed and not only did a recovery occur but ultimately it got out of control.

The critical need in UK economic policy-making today is an acceptance of the fiscal and monetary discipline that will be required to drive inflation down to the German levels of 0-3 per cent.

When the remnants of the 364 try to put forward excuses for avoiding such discipline, the attention paid to their advice should take account of their mistaken recommendations in the past.

Douglas McWilliams,
Chief Economic Adviser,
Confederation of British Industry,
Centre Point,
103 New Oxford Street, WC1

From Mr David Damant.

Sir, John Shepperd writes that the 364 economists were correct to attack monetarism in 1981. But Mr Shepperd also points out that since "the end of serious monetary targeting" in 1985 problems such as inflation have returned.

Perhaps the truth is that things started to go wrong again as soon as the traditional establishment, as represented by the 364, began to have effect.

David Damant,
Managing Director,
Paribas Asset Management,
68 Lombard Street, EC3

From Mr Andrew Smithers.

Sir, It was unkind of Mr Shepperd to remind us of the views of the 364 economists in his ironical defence of them.

Mr Shepperd's comment: "As is so often the case with economists their timing was poor," was particularly cruel, since the ability to predict is the key test of any theory and the economy's recovery, dating almost from the point when the economists were forecasting disaster, is bound to have discredited their views.

His other main point, ignoring its ironic gloss, is that inflationary problems have re-emerged as monetary targets have not been adhered to. Monetarism has been successful overseas, but only briefly in the UK. To paraphrase Chesterton on Christianity – monetarism in the UK has not been tried and found wanting, it has been found difficult and not tried.

Andrew Smithers,
Smithers & Co,
Sedgwick House,
The Sedgwick Centre, E1

From Mr Ken Coutts and Professor Wynne Godley.

Sir, The issues raised by Mr Shepherd have a special importance because of the suggestion by for instance, Sir Douglas Hague in 1988, that "never in history can a profession have been so manifestly proved wrong in its prediction" which seems to be part of a campaign to dishonour and demoralise academics of all disciplines.

Mr Shepherd's quotation from the 364 economists' declaration is not quite complete. According to his version "there is no basis in economic theory or supporting evidence for the Government's belief that by deflating demand they will thereby bring inflation permanently under control." This sentence should have been completed with the words "and thereby induce an automatic recovery in output and employment." Mr Shepherd also states that "(the) depression... was beginning to lift as the 364 wrote."

It is not really true that the depression was beginning to lift in March 1981 when the economists' declaration was made. Output only grew 2 per cent over the following 12 months, which is well below the growth of productive potential while unemployment rose half a million; personal consumption continued to fall and such increase in output as did occur was almost entirely due to stockbuilding which moved from an annual rate of minus £4.6bn in the first half of 1981 to plus £1.5bn in the first half of 1982, a turnround equal to about 3 per cent of gross domestic product.

The "recovery" in demand and output only really began in the middle of 1982 when the removal of credit controls caused a big jump in consumption. And since then, so far from the continuation of "present policies" (the deflation of demand so feared by the economists) there has been the biggest reflationary U-turn of all time. Between 1982 and 1989 household indebtedness rose about £250bn, the personal saving ratio fell, as a result, from 12 per cent to 6 per cent, and personal consumption, the motor of the entire "recovery," rose at an average rate of 4.6 per annum – far faster than ever before.

Mr Shepherd cannot accuse us of failing to participate actively in the policy debate. In the last Cambridge Economic Policy Review, published in April 1982, we argued: "(Though) reflation ... might give a few years of reasonable growth and might start to bring down unemployment, it is not in itself capable of generating sustained recovery. It would scarcely improve export growth or slow down import penetration. Once Britain's balance of payments is again in deficit the growth of domestic expenditure will be constrained, as in the past, by inadequate trade performance in manufacturing. Reflation may check industrial decline but it will not of itself put the process into reverse. Strategies for recovery need to be judged as much in terms of their ability to accomplish this task as in terms of their likely effect on output and employment in the short term."

Since 1982 we have reiterated this view several times a year in leading newspapers and journals as well as on television. We have also pointed out with great emphasis that, since the expansion has been caused by a boom in household borrowing, the idea that any kind of economic miracle ever took place is a very dangerous myth.

Our new review of economic policies and prospects in the 1990s is to be published soon.

Ken Coutts, Wynne Godley,
Department of Applied Economics,
University of Cambridge,

Chinese bouquet: grapes 'did not come from reform camps'

From Tian Chunyan.

Sir, With regard to the article ("China's bouquet of barbed wire," April 4) alleging that the Tuanhe labour re-education camp supplies grapes to the Sino-French wine-making venture at Tianjin, I am asked by the Sino-French joint venture to make a number of clarifications.

The grapes used by this joint venture have been largely supplied by the vineyards in Tianjin suburbs and the countryside in the near-by counties. It is a main condition in the contract setting up the venture.

In 1987, this venture purchased 1,179 tons of grapes of which 72 tons came from the farm of the venture itself, 979 tons from Tianjin suburbs and the countryside in the counties, 85 tons from the countryside in Hebei Province near Tianjin and 43 tons from Qinghe Farm in Tianjin.

In 1988, the total purchase of grapes was 1,184 tons of which 17 tons came from the farm of the venture itself, 1,136 tons from Tianjin suburbs and the countryside in the counties, 31 tons from Hebei near Tianjin.

In 1989, the total figure for grapes purchased was 1,235 tons of which 56 tons came from the farm of the venture itself, 1,179 tons from Tianjin suburbs and the countryside in the counties.

From these figures it is clear that only in 1987 did the venture buy a small amount of grapes from Qinghe Farm (3.65 per cent of the total of grapes purchased in that year). Qinghe farm is an ordinary farm which has nothing to do with a reform camp. The Sino-French joint venture has never used any grapes from Tuanhe labour re-education camp or any other reform camps.

Tian Chunyan,
Press Attaché,
Embassy of the People's Republic of China,
49-51 Portland Place, W1

FINANCIAL TIMES
Thursday July 5 1990

Overseas investors fight off US Congress

Peter Riddell reports on resentment in Washington over foreign economic influence

FOREIGN investors in the US are having to fight on an increasing number of fronts to defend their interests.

The Association for International Investment (AFII), a group opposing restrictions, has identified at least 15 threats at the federal level alone. Mr Brad Larschan of the AFII talks of an "open season on foreign investment."

As the national security threat of the Cold War disappears, Americans are becoming more concerned about economic security – the challenge to the US from Japan and a newly assertive Europe.

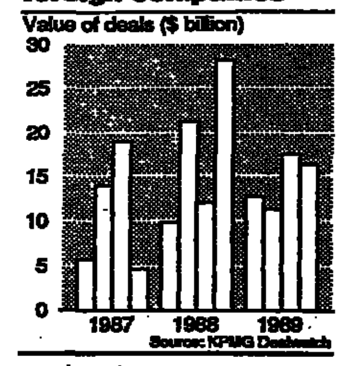
The US has become more reliant on foreign capital because of its continuing large deficits. Foreign direct investment in the US rose by $72bn last year to a total of just over $400bn. This was much larger than the increase in US investment overseas and has led to increased awareness, and in part resentment, of the influence of foreigners.

The main push for action has come from Congress. This has so far been largely resisted by the Bush Administration, which is publicly committed to an open investment policy. But potentially restrictive rules have been adopted, which, while not applied in a discriminatory way now, could be under another administration.

Some of the legislative proposals may not become law this year. But several are likely to be revived next year when they stand a better chance of enactment.

US acquisitions by foreign companies

Value of deals ($ billion)



The main issues are:

● Monitoring of acquisitions. Under the Exon-Florio provisions of the 1988 Trade Act, purchases of US companies by foreigners can be reviewed by an inter-agency group, the committee on foreign investment in the US (CFIUS), headed by the Treasury. This advises the President on whether to ban or suspend a deal if evidence is found that an overseas investor might take action to threaten national security or that existing laws do not provide adequate protection.

There is general agreement that the CFIUS staff has handled implementation fairly and efficiently. Only one deal (involving the takeover by Catic of China of Mamco, an aircraft parts producer of Seattle) has been blocked out of 280 reviewed between August 1988 and last March.

There are worries, however, about increased political pressures to hold inquiries, as shown by the review into the controversial BTR bid for Norton of Massachusetts – although the subsequently dropped takeover was cleared.

There has been a vigorous and lengthy debate within the Administration about the Exon-Florio rules. Foreign investors have pressed, largely without success so far, for a number of modifications – to establish a minimum dollar threshold for transactions, to create a list of exempt industries, to define national security more precisely, to provide greater assurance that already cleared deals will not be reopened (the possibility of some progress, according to AFII), the creation of a fast-track procedure for approval, and narrowing the applicability for foreign lenders in case of default (partial reassurance).

The Commerce and Defence Departments, backed by some in Congress, have sought to keep tough provisions as well as to take control of the procedure from the Treasury, which favours open investment. Separately, on Capitol Hill, legislation has been proposed broadening the scope of national security and seeking a process of constant review via public performance requirements negotiated with foreign investors.

● Taxation. The Internal Revenue Service is taking a much closer look at taxes paid by the US offshoots of foreign owned groups following allegations that the latter, particularly Japanese affiliates, are underpaying taxes as a result of devices such as transfer pricing. Leading House Democrats have proposed legislation to impose additional, and open-ended, reporting requirements on foreign owned, as opposed to domestic, companies and to levy a new 10 per cent withholding tax on the gains from the disposal of foreign-owned assets, except where treaty provisions preclude such a tax.

● Bars on foreign investment. A House bill regulating the cable industry would ban foreign ownership with effect from June 1, and would limit the expansion of existing foreign owned cable operators, in direct contrast to the expansion of US cable ownership in Europe.

● Political activities. The Federal Election Commission voted four to one last Thursday to initiate a rule-making procedure to ban US companies with 50 per cent or more foreign ownership from organising and maintaining Political Action Committees, in effect stopping them making financial contributions to political campaigns. This will be challenged on constitutional grounds.

● Registration and data collection. Congressional proposals, some backed by the Administration, have been made to improve the collection of data on foreign investment. The controversy is over the extent of the information required, who should have access to it, and hence its confidentiality.

● Financial services. Concern has grown about the decline in the relative position of US banks, especially compared with Japanese ones. The Senate Banking Committee has approved a measure giving US regulators the discretionary power to impose sanctions on countries regarded as discriminating against US financial service groups.

This has been amended specifically to reassure the European Community following last year's banking directive by exempting countries which have a good record of providing open access to US companies. But major legislation on these issues is likely next year.

In addition to these federal moves, foreign investors are also worried about new state legislation, notably laws to make hostile takeovers more difficult, which, while not specifically aimed at foreigners, can and have been used against them.

Direct foreign investment in US (Book value in $bn)

Country	1979	1989
Britain	9.8	122.8
Japan	3.5	66.1
Netherlands	12.7	55.7
Canada	7.2	29.7
W Germany	5.7	26.9

Mandela encouraged by Thatcher meeting

By Michael Holman and Anthony Robinson in London

MR NELSON Mandela and Mrs Margaret Thatcher, the British Prime Minister, yesterday forged a remarkable and unexpected understanding despite their continuing disagreement over the role of sanctions and violence in hastening the reform process now under way in South Africa.

At the end of a day which began with an appeal for British investment in a post-apartheid South Africa, and a warning that state participation in the economy might prove necessary, the 71-year-old deputy president of the African National Congress said: "I came away from my meeting with (Mrs Thatcher) full of strength and hope."

Mr Mandela said he had briefed Mrs Thatcher on political developments in South Africa, and noted: "She appeared to have a very good grasp of what's going on." Asked whether she was someone with whom he could do business, Mr Mandela said: "I am already doing business with Mrs Thatcher."

He said that on his return to South Africa later this month he would meet Mr F.W. de Klerk, the South African President, as a matter of urgency to continue the negotiations which got under way in May on a new constitution for South Africa.

Meeting of minds: Nelson Mandela after his talks with Margaret Thatcher yesterday

At a press conference shortly after his meeting, Mr Mandela refused to set a timetable for lifting sanctions.

He said that during his tour of Europe and North America he had been met with widespread understanding for the ANC's view that sanctions should not be lifted until apartheid was abolished and black South Africans enfranchised.

The ANC leader went out of his way to be complimentary to Mrs Thatcher, turning aside questions designed to highlight any differences.

Describing Mrs Thatcher as "warm and gentle," referring to the "cordial atmosphere" of the "productive talks," he added: "I complimented her for her role in improving international relations, especially between east and west and in the independence of Zimbabwe."

He noted that Zimbabwe's independence was negotiated ten years ago, "but this was the first chance I have had to compliment her." He thanked her for securing the release "of my comrades and myself."

Downing Street officials gave an equally enthusiastic assessment of the meeting.

Mandela seeks to allay investors' fears, Page 4

Japan halts new trade with US under SII

By Robert Thomson in Tokyo and Peter Riddell in Washington

JAPANESE officials said yesterday the US would not be permitted to raise new issues in talks reviewing agreements reached under the Structural Impediments Initiative (SII) on bilateral trade.

Debate on the format of the follow-up talks delayed the drafting of the SII final report last week, and the issue could become a serious problem for the two countries as the US is keen to use the SII structure to discuss a range of trade concerns.

Mr Noboru Hatakeyama, director-general of the Ministry of International Trade and Industry's international trade policy bureau, said both countries had agreed to review progress in the report, and to discuss matters relevant to the agreed points.

"The wording of the agreement may be vague, but the US cannot introduce new issues. They cannot interpret the wording that way," Mr Hatakeyama said.

It has been agreed to hold follow-up meetings three times in the coming year, and then twice a year.

The US stresses the importance of the follow-up mechanism agreed with Japan as a means of monitoring the undertakings given on reducing business rigidities and barriers to competition.

Mrs Carla Hills, the US Trade Representative, told reporters earlier this week that the US looked at SII as a continuing process, underlined by the follow-up mechanism which she regards as an integral part of the final report.

The US interprets the report in a broad sense as covering a wide range of business practices, in effect what one official has called a micro-economic version of the Group of Seven macro-economic co-ordination process.

The US will resist any Japanese attempts to narrow its remit.

Mr Hatakeyama said that the SII concept should be expanded, perhaps using the OECD, and could serve as a model for the discussion of broader economic issues in the context of trade.

"This process is very difficult, so we cannot repeat it again and again, but it should develop into a multilateral system. SII is a very broad agreement but we can choose some items and these could be harmonised internationally," he said.

Japanese officials have noted that US Congress has been less appreciative than President George Bush of the SII agreement, and there are fears that the importance and depth of SII will be overlooked by US politicians focusing on raw trade figures over the next few months.

Mr Hatakeyama said that fulfilling SII promises on straightforward items such as public works spending would be easier than the more abstract agreements, such as encouraging leisure among Japanese.

"On these things we don't have such a good record of success. We have to persuade management and labour people to shorten their working hours. We have to work hard to avoid increasing our working hours," he said.

WORLDWIDE WEATHER

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	S	24	75	Dallas †	S	24	75	Madeira	F	23	73	Prague	C	12	54
Algiers	S	28	82	Dublin	R	15	59	Madrid	S	28	82	Reykjavik	S	13	55
Amsterdam	F	17	63	Dubrovnik	S	26	79	Majorca	F	26	79	Rhodes	S	28	82
Athens	S	31	88	Edinburgh	R	11	52	Malaga	C	27	81	Rio d'Janeiro		–	–
Bahrain	S	36	97	Faro	S	24	75	Malta	S	31	88	Rome	F	27	81
Barcelona	S	25	77	Florence	F	26	79	Manchester	R	11	52	Salzburg	C	13	55
Belfast	R	15	59	Frankfurt	S	19	66	Melbourne	F	13	55	S'Francisco †	S	14	57
Belgrade	T	23	73	Geneva	S	19	66	Mexico City		–	–	Santiago		–	–
Berlin	S	19	66	Gibraltar	C	24	75	Miami †	S	25	77	Seoul	F	26	79
Biarritz	S	22	72	Glasgow	R	12	54	Milan	S	26	79	Singapore	F	29	84
Birmingham	R	11	52	Guernsey	R	14	57	Montreal †	C	23	73	Stockholm	F	20	68
Blackpool	R	13	55	Helsinki	S	20	68	Moscow	F	22	72	Strasbourg	C	18	64
Bombay	F	29	84	Hong Kong		–	–	Munich	C	16	61	Sydney	S	16	61
Bordeaux	S	23	73	Innsbruck	C	16	61	Nairobi	C	21	70	Tangier	S	28	82
Boulogne	R	14	57	Inverness	C	15	59	Naples	F	27	81	Tel Aviv	S	30	86
Bristol	C	14	57	Isle of Man	F	15	59	Nassau		–	–	Tenerife	S	25	77
Brussels	F	18	64	Istanbul	S	31	88	Newcastle	R	10	50	Tokyo	R	23	73
Buenos Aires		–	–	Jersey	R	13	55	New Delhi	C	30	86	Toronto †	S	24	75
Budapest	C	22	72	Johannesburg	S	17	63	New York †	S	25	77	Tunis	S	30	86
Cairo	S	34	93	Las Palmas	C	24	75	Nice	S	24	75	Valencia	F	29	84
Cape Town	R	13	55	Leeds	R	10	50	Nicosia	S	29	84	Venice	S	25	77
Cardiff	C	15	59	Lisbon	S	26	79	Oporto	S	23	73	Vienna	R	15	59
Chicago †	S	27	81	Locarno	S	25	77	Oslo	F	18	64	Warsaw	R	20	68
Cologne	F	19	66	London	R	12	54	Paris	R	17	63	Washington †	F	23	73
Copenhagen	F	17	63	Los Angeles †	S	17	63	Peking	R	26	79	Wellington	F	13	55
Corfu	S	32	90	Luxembourg	F	17	63	Perth	S	16	61	Zurich	F	18	64

C–Cloudy. Dr–Drizzle. F–Fair. Fg–Fog. H–Hail. R–Rain. S–Sunny. Sl–Sleet. Sn–Snow. T–Thunder.
† Noon GMT temperatures

World Cup misery

Continued from Page 1

conflicting loyalties.

Britain's employers' organisation, the CBI, which last year put the cost of absenteeism from work at £5bn, ($8.6bn) took a relaxed attitude to the impact of the World Cup.

"Sporting achievements have in the past helped boost morale, and pride in the country and its products", said one official.

Currency and stock dealers were said to be leaving work early to watch the match.

And at British Aerospace in the north-east of England so many night-shift workers wanted time off to watch the semi-final that six televisions were installed in the works restaurant.

Even tickets for the first Rolling Stones London concert in eight years were still on sale last night.

In Germany one moral problem remains: how will the rest of the world react now that, having defeated England, it goes on to win the championships?

"It would not be good to win the cup in the year that we are becoming united," said, half-seriously, a senior adviser to Chancellor Helmut Kohl. He speculated that it would be worse if Boris Becker won Wimbledon at the same time.

French told to cut UK water group investment

By Andrew Hill in London

MR NICHOLAS RIDLEY, the UK Trade and Industry Secretary, is to force France's largest water supplier to cut its investment in a British water company.

Compagnie Générale des Eaux, which already owns four UK water companies, will have to reduce its interest in Mid Kent Holdings, a water supplier in the south-east of England, from 29.9 per cent to no more than 19.5 per cent following a Monopolies and Mergers Commission report into the investment.

The move underlines the British Government's opposition to further consolidation of water company investments, which it believes could make regulation of the newly privatised industry more difficult.

Separately, the Monopolies and Mergers Commission decided that Southern Water's acquisition of a 25 per cent stake in Mid-Sussex Water Company – which is already controlled by another French group, SAUR Water Services – was not against the public interest.

The Commission would have been be satisfied with guarantees from Compagnie Générale des Eaux that it would not interfere in the running of Mid Kent. But Mr Ridley wanted firmer action to protect the public interest.

Générale des Eaux said it was disappointed with Mr Ridley's decision, which will leave the French company with the same size stake in Mid Kent as its rival SAUR. Générale des Eaux will now have to liaise with Mr Ian Byatt, the director general of water services, about reducing the holding.

The Department of Trade and Industry's statement could increase concern in the water industry that the Government is compromising Mr Byatt's independence by asking him to play such an important part in enforcing merger policy. His main task as economic regulator is to set price-rise limits for the 39 water companies in England and Wales, thus simulating competition between the regional monopolies.

In April, the Monopolies and Mergers Commission ruled that the proposed merger of three British water suppliers was against the public interest after Mr Byatt had suggested to the commission that a merger between neighbouring groups, though it reduced charges, would make "comparative competition" between the UK's water companies more difficult to judge. At Mr Ridley's request, Mr Byatt is now seeking to extract further concessions from the three companies which might enable the merger to go ahead.

Apart from owning large stakes in some of the UK's 29 smaller water suppliers French companies have small holdings in some of the 10 recently privatised water and sewerage companies, which are protected from takeover for five years.

THE LEX COLUMN

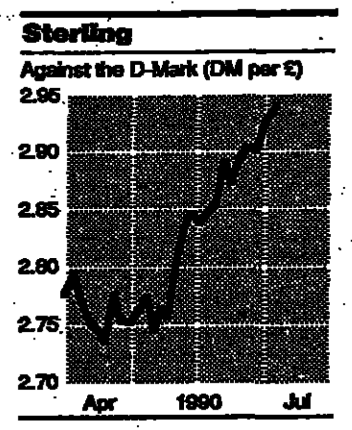
Second thoughts for the ERM bulls

The UK equity market seems to be moving to the next stage of its thinking on the ERM a little faster than expected. After the initial euphoria, the appreciation of sterling is now a reality. Analysts' thoughts are therefore turning to the implications for the earnings of companies like RTZ, whose shares fell 4 per cent yesterday.

For the corporate sector as a whole, this might seem in one sense illogical. On a trade-weighted basis, sterling is little changed from a year ago. Indeed, the situation is in some ways improved. Sterling is 4 per cent lower against the D-Mark, which helps European competitiveness; but against the dollar it is 13 per cent up, thus holding down input prices. The snag seems to be rather that analysts had been counting on sterling depreciation to help out overseas earners in the traditional way. For dollar earners this is not happening; and the damage could be still worse if, as is not impossible, the autumn were to see the Fed easing and the Bundesbank tightening at the same time, thus driving the ERM up further against the dollar.

Sterling

Against the D-Mark (DM per £)



For domestic earnings, the same two-stage thinking might come to apply. The initial reaction was again euphoric, based on the promised stimulus of lower interest rates. But the fundamental premise of ERM membership remains that demand must be held back until inflation is brought into line. Add to that the question of what happens to the trade deficit with sterling at these levels, and the market may soon be pushed to remember why the ERM ever seemed a bull point at all.

British Rail

British Rail's finances are getting trickier all the time. Hidden in the small print of yesterday's annual accounts from the network were numerous signs, besides its £26m operating loss, that BR now has little chance of meeting the financial targets in last December's corporate plan. At the plan's heart was a goal of slashing its subsidy from about £600m in 1989 to £340m in 1993. BR readily owns up to four obstacles: the £83m bill for last year's labour unrest, post-Clapham safety spending, late deliveries of rolling stock and the general slowdown of the economy, which is squeezing ticket revenue. But BR's hopes of striking productivity gains also now look very suspect.

That is partly a matter of BR's lack of scope for much more staff cutting. In each of the 1988 and 1989 financial years, rail network staff dropped 5 per cent. In 1990 the fall was only 0.6 per cent. For the first time since 1985, the key productivity ratio of receipts per train mile worsened to less than £10, and the wages bill is rising 50 per cent faster than total turnover.

Things would be easier if BR's real estate side could realistically expect to continue with profits as high as last year's £412m. But it seems very unlikely that in a soft UK commercial property market BR can repeat the near 30 per cent growth in net rental income it saw last year. As for BR's capital expenditure, it rose £200m to £630m; and with 842 new coaches on order for the Kent region alone, that figure seems unlikely to drop much. Expect the fares to go up a lot more as soon Mr Parkinson thinks he can get away with it.

Globe

Whatever the final tally, it is clear that time has finally run out for the Globe Investment Trust in its present form. A fortnight ago, the British Coal Pension Funds' final offer of 205p looked a shade too mean to win the day. However, all it took was a slight wobble in the market, plus a few defections among the smaller institutions, and the balance of power has shifted in favour of the coalmen.

The debate about Globe's true net asset value – the only thing that really matters to the key institutions who will decide this bid – starts with Datastream's 215p per share. It then goes up or down depending on which side one talks to.

The majority of independent shareholders still believe that Globe is being sold on the cheap. But if the coalmen really have control of 45 per cent of Globe, its prospects of continuing to operate as an effective independent entity over the long term are minimal. They should be able to mop up enough to win control over the next year.

Faced with this and the uninspiring record of British Coal's majority-owned British Investment Trust, the institutions still holding out are not going to want to stay around as minority shareholders. By contrast, small shareholders have little to lose by waiting to see what happens. They will have time to accept if the bid goes unconditional. And in the unlikely event that it does not, then both sides are still going to have to sit down and work out a solution to an unacceptable situation.

Water mergers

The cynic might argue that the UK Government's latest policy ruling on mergers in the water industry is simply evidence of the politicians' anxiety to keep the industry out of the hands of the French. This is a little unjust. The key issue for the authorities is to balance the obvious savings to consumers from any industry consolidation with the unquantifiable loss of the benefits of having lots of companies producing comparative data. One has only to see the difficulties the regulators have in policing British Gas and British Telecom to understand the superficial regulatory appeal of maintaining a massive comparative database. Nevertheless, it does not look a policy stance which will stand the test of time.

Siemens/Nixdorf

It never looked very plausible that Siemens would bid for the publicly held non-voting shares in Nixdorf. But the fact that Nixdorf's non-voting stock is still fetching DM310, 20 per cent more than last October's low, suggests some investors have not lost hope. On past evidence, such as Stora's bid for Feldmuehle Nobel, where Stora bought an 88 per cent block from two big sellers then made a tender offer for the rest, a bid for the non-voting Nixdorf shares is not entirely out of the question. But it is unlikely, and the episode highlights the risks of playing the takeover arbitrage game with West German equities.

FINANCIAL TIMES
COMPANIES & MARKETS
Thursday July 5 1990

INSIDE

Morgan Grenfell goes against the traffic

It may at first sight seem odd. Morgan Grenfell, the British merchant bank, is making a big effort to move back into the third world debt business just as most international banks are doing their utmost to get out. Morgan has taken on board almost the entire third world debt trading team of Libra Bank, the London-based consortium lender to Latin America liquidated this year. And it is arranging to borrow from its parent, Deutsche Bank, a third world loan portfolio of several hundred million dollars. Stephen Fidler explains why. Page 21

Ride em' company director

Wagon racing and pancake breakfasts. This week sees western Canada's best-known and most boisterous rodeo, the Calgary Stampede. During the whoopin' and hollerin', however, a less noisy stampede is also taking place among the region's energy producers. It is hard to find a company which is not buying, selling or restructuring at least some of its oil and gas properties. Mr Frank Sayer, president of Sayer Securities, a Calgary corporate finance boutique specialising in oil and gas deals, estimates that by the end of June, almost 40 companies had some C$4bn (US$3.4bn) worth of assets on the block, compared with 26 companies selling some C$2.7bn in properties just three months previously. Page 18

Lots of sour, not much sweet

Long-suffering shareholders of Berisford International are likely to have plenty of questions for the group's new directors when they make their first report on the troubled sugar and property group this morning. Tate & Lyle, the sweeteners group, dropped a contemplated bid for Berisford earlier this week. A passing of the interim dividend is widely anticipated along with painful extra provisions of more than £150m, mainly in respect of Berisford's troublesome New York property portfolio. Page 24

Driving on Elf

Loïk Le Floch Prigent has brought a tough, no-nonsense style to bear on Elf-Aquitaine, the flagship of France's state-owned oil industry, since taking over there as chairman a year ago. The company is moving faster than ever under his leadership through acquisitions and an increasing concentration on chemicals, an industry close to the heart of this former chairman of Rhône Poulenc. William Dawkins reports. Page 16

Big R taints Greene King brew

A strong trading performance at Greene King, the UK brewing group, helped push up pre-tax profits by 5 per cent to £20.13m ($35.82m) in the year to April 29, 1990. But the headway made on the brewing side was overshadowed by problems at the group's associated company, Big R Leisure, which operates roller skating rinks, night clubs and other leisure facilities. Greene King has written off, as an extraordinary item, the £795,000 after-tax cost of its 35 per cent stake in Big R. Page 22

Market Statistics

Companies in this section

Chief price changes yesterday

FRANKFURT (DM)

Rises			
Daimler	863	+	5
Deutsche Bank	818.5	+	10.5
Dresdner Bank	449.5	+	15
Preussag	455	+	2
Siemens	772.5	+	9.8

PARIS (FFr)

Falls			
Club Med	628	−	16
ESSO	894	−	15
Perrier	1454	−	50
Peugot	766	−	11

New York closed.

TOKYO (Yen)

Rises			
Fuji Tekko	2150	+	200
Hitachizosen	1060	+	109
Shoun Tool	1030	+	91
Toyo Carbon	850	+	81
Yokowo MFG	3190	+	290
Falls			
Foster Elec	1400	−	80
Iwaki	1090	−	80
Michitsu	2180	−	100
Sanraku	1260	−	50
Teikoku Sen	2150	−	80

LONDON (Pence)

Rises			
AB Foods	407	+	4
ASDA	117	+	3
Body Shop	422	+	22
Central ITV	713	+	13
Midland	295	+	6
Speyhawk	240	+	20
Ultramar	345	+	4
Falls			
Glaxo	815	−	12
Greene King	370	−	10
Hawker Sidd	623	−	8
Hogg Grp.	175	−	5
P & O Defd.	626	−	21
RTZ	541	−	22
Reckitt & Col.	1265	−	29
Reed Exec	55	−	5
Shoprite	159	−	3
Unilever	697	−	13

Unity bond disappoints world markets

By **Katharine Campbell** in Frankfurt

THE GERMAN Unity Fund, the West German Government's vehicle for financing the restructuring of the East German economy, yesterday disappointed international markets by setting tight terms for its initial bond issue.

The first DM6bn 10-year unity bond is to pay a coupon of 8.75 per cent, with an issue price of 101 per cent, representing a yield of 8.60 per cent.

The terms are therefore identical to the last German government bond (bund) which was launched in mid-May and then marked the largest single bund issue to date.

The tight terms mean that interest is likely to be confined largely to domestic investors. While one large German bank had said it had been prepared for the even more aggressive terms of an 8¾ per cent coupon, it was generally felt in London that a coupon of 9 per cent was needed to attract international investors in any great number.

The West German government plans to borrow DM95bn over the next four and a half years via the Unity Fund, an off-budget route to help finance the steadily mounting costs of restructuring the East German economy.

This week's launch is capitalising on the bond market's slightly firmer tone following signs, albeit very early ones, that German economic and monetary union is proceeding relatively smoothly.

In London, the Liffe September bund futures contract fell to the day's low of 83.82, compared with 83.95 at the open, shortly after the bond consortium had agreed terms mid-afternoon in Frankfurt.

Prices recovered later to close at 84.08, with buying largely attributed to German banks.

Confusion persists as to how the new instrument will trade compared with straight bunds. Because the fund is borrowing under its own name, rather than that of the West German Government, it is expected to trade at a higher yield, though dealers were yesterday revising the size of the differential downwards to under 10 basis points.

Unlike the German railways and the postal authorities, the Unity Fund paper carries an explicit government guarantee.

Moreover, while Liffe had said that unity bonds would not be deliverable into its September and December contracts, dealers are now hoping the exchange will change its mind, a move that would improve trading conditions and hence narrow the spread between the two sorts of paper.

Siemens to get 91% of Nixdorf voting shares

By **Andrew Fisher** in Frankfurt

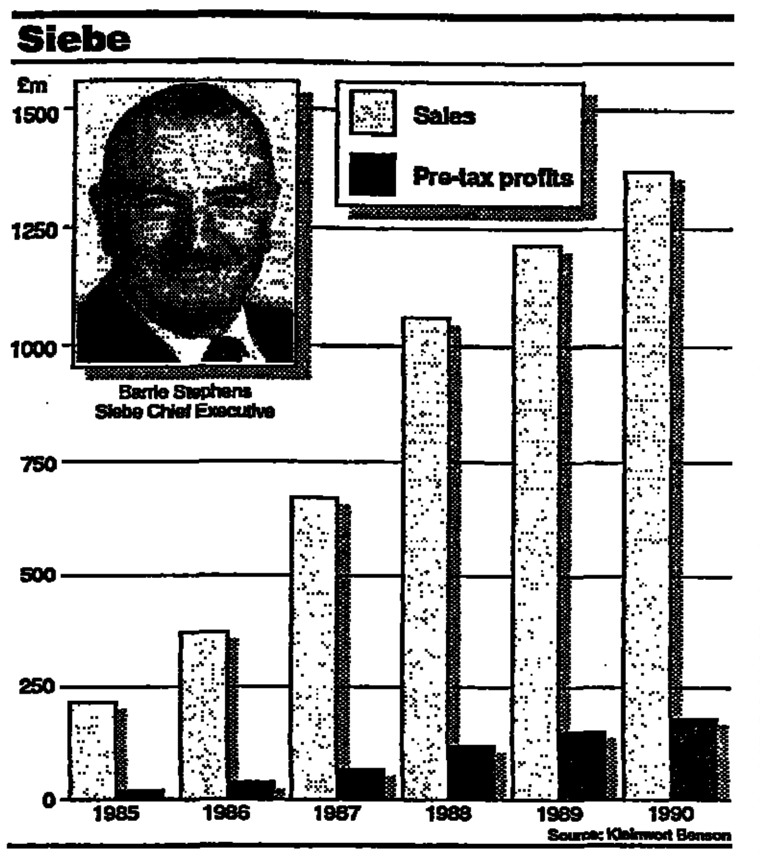
SIEMENS, the West German electrical and electronics group, will have 91 per cent of the voting shares in Nixdorf after a capital increase later this year by the loss-making computer manufacturer before the full merger of the two companies.

It already holds 51 per cent, after the rescue takeover agreed in January. Siemens' stake will be increased in line with the valuation of the assets it will put into the new merged operation, to be called Siemens Nixdorf Informationssysteme, when it comes into being on October 1.

Siemens said the assets of its profitable data and information systems division had been valued at DM7.1bn ($4.30bn) against DM3bn for those of Nixdorf. Nixdorf's last annual meeting on August 23 will decide on a capital increase to create new shares which Siemens will take in exchange for assets. Siemens will then own voting stock with a nominal value of DM1.46bn with two trusts. The Nixdorf family will still hold stock worth about DM137m. Siemens does not intend to buy the quoted preference shares, quoted yesterday at DM310. Of the combined voting and preference stock, Siemens will own 78 per cent.

Siemens' turnover in data and information processing in its financial year to September 30, 1989, was DM5.4bn, with an order inflow of DM6bn. Net profits of the division totalled DM252m. In the first eight months of 1989-90, turnover rose by 29 per cent and should total at least DM7bn for the whole year. Last year Nixdorf made a loss of DM1.07bn on turnover of DM5.3bn.

Lex, Page 14



A big bite for Siebe to chew

Charles Leadbeater and **Roderick Oram** look at the group's $656m purchase of Foxboro

The wry message welcoming corporate customers to Foxboro's demonstration centre in Massachusetts reads: "I try to take one day at a time but lately several days have attacked me at once."

The US manufacturer of process controls has every reason to feel gun-shy. Over the past eight years, it has battled and nearly succumbed to bad markets, indifferent management and troublesome technology.

But just when it was beginning to win, it decided this spring it was too small to survive alone in a consolidating global industry. To improve prospects, it agreed last week to a $656m bid from Siebe, the acquisitive UK engineering group.

The acquisition is significant for Siebe because it will give the company a comprehensive range in controls. "Foxboro plugs a gap in our product and engineering arsenals," says Mr Barrie Stephens, the Siebe chief executive who has masterminded its growth over the past five years.

Siebe's main activities are in environmental controls, automotive controls, speed governors and controls for domestic appliances and air conditioning systems. By acquiring Foxboro, the company will move into controls for heavy industrial processes in chemicals, oil and gas, and pulp and paper.

Analysts and investors have accepted Mr Stephens' pitch that the purchase should give Siebe the range to match larger companies such as Honeywell of the US, Asea Brown Boveri of Europe and Yokogawa of Japan.

Without an acquisition in a new area of activity, Siebe would not have been able to maintain the rapid growth of the last five years, which has taken turnover from £212m ($373m) in 1985 to about £1.4bn this year.

While Foxboro has made great progress in rebuilding its battered business over the last few years, Mr Stephens acknowledges more work remains to be done.

Siebe has a record of squeezing higher returns from US acquisitions. Since 1986 it has spent about $890m on acquiring three US controls companies, Robertshaw, Ranco and Barber Coleman. Analysts believe the potential gains at Foxboro could match the performance of CompAir, acquired in 1985, when it made profits of £1.7m on sales of £216m. Last year it made profits of £30m on sales of £265m. Foxboro too is a considerable cash generator, but at low margins of about 4 per cent. If Mr Stephens can get Foxboro's margins up to the 10 per cent level which prevails in the rest of the group it should become a handsome earner.

Siebe has taken a short-term risk to make the acquisition. Gearing will rise from 32 per cent to 105 per cent. To ease the financing burden, Siebe may float a quarter of its US activities to raise perhaps £200m. But more important than the financial risk is the managerial gamble. Mr Stephens is confident that a familiar diet of higher prices, more efficient manufacturing, tight financial management and much lower stock levels should turn Foxboro around. But Foxboro will be Siebe's toughest challenge yet. Has Siebe bitten off more than it can chew?

Founded in 1908 in the town of Foxboro, an hour's drive south of Boston, the company grew into a relatively small but distinguished maker of controls. It was particularly strong in oil, gas and petrochemical processes, prospering hugely on a capital spending boom in those industries in the US and Middle East from the late 1970s until 1982.

About 10 years ago it moved into its current headquarters on a magnificent wooded campus. But even now the premises are still a bit big for it following the collapse in demand for its products in 1982. Only this year might sales top the $607m peak of 1981.

For three years, management waited for a rebound. "In hindsight we reacted very slowly," says Mr Gary Willis, Foxboro's chief executive since 1988 and its US sales manager from 1979 to 1982. "We believed some economic reports that the upturn was just around the corner."

Finally, in late 1985, it began a drastic restructuring. Problems ran far deeper, though, than the need to cut capacity to meet shrunken demand. "While we were waiting, our competitors around the world had become more energetic. They had developed better products and offered better service," Mr Willis says.

Restoring Foxboro's competitiveness "required not only changes in strategy but also in every damn system we had in the place." Product development, manufacturing, marketing, customer service and many other functions were all overhauled.

The key to survival, though, was to take a huge technological leap into a far more advanced computer-based controls system, one that could leapfrog rivals' products. A small taskforce began work in 1982 "to define the markets' needs through the rest of the century," says Mr Willis.

In 1984, the team "made some very courageous technological bets" well ahead of the conventional wisdom of the time. It said its new system should incorporate features such as: Unix, an open operating system rather than a proprietary one; industry communications standards; distributed computer processing architecture; relational databases; and surface mounted components on its circuit boards.

These features were crucial for making the new product range, dubbed the Intelligent/Automation (I/A) Series, an open system that could incorporate other people's technological developments such as better microprocessor chips from Intel and more advanced Unix software from American Telephone and Telegraph, its originator.

Development of the system began in earnest in January, 1985, and the first I/A products were hustled into the marketplace in early 1987, so great was Foxboro's need to replace its obsolescent products. Foxboro admits it was a terrible mistake to rush such a big project. Manufacturing of the advanced technology products suffered from poor quality and cost over-runs.

"The first two years in the factory were a blur," says one plant manager closely involved with sorting out the problems.

Worse was to come on software. Glitches plagued the system until this spring. Only then did I/A installations perform as originally specified to customers.

Foxboro says it spent some $250m developing I/A and another $50m-$100m getting it right after the launch. It will not say how much it spent on remedial work on more than 1,000 systems installed before the problems were fixed. One executive says warranty costs increased 10 fold.

As a result, the company reported losses for the last two quarters of 1989 and the first of this year and cancelled its first-quarter dividend, hastening the need to find a buyer.

Heads rolled. A number of senior executives have left the company in the past two years, including the vice presidents of technology and manufacturing. Their replacements came from outside the company – the former, Mr Ernoe Csaky, from a division of Emerson Electric, and the latter, Mr Stanley Shaffran, from Black and Decker.

"The biggest challenge for me was to institute a highly-disciplined development environment," says Mr Csaky. "I'm not aware of any installations" now performing below specifications, he says. Siebe and other companies that looked hard at Foxboro say they are satisfied it has overcome its technological problems.

Still, much work remains to be done. A new version of the software, due later this year, for example, will allow users to bring data onto their computer screens much faster. The system is also scheduled to switch from Intel's 80286 chip to the more powerful 80386 chip later this year.

Analysts say Foxboro must expand its range of industry applications and incorporate some of Siebe's controls in its I/A platform. It must also rebuild its reputation for quality and its relations with its customers. To earn a decent return for Siebe – which is paying some 80 times forecast 1990 earnings for Foxboro – and to generate enough money for further development, it must cut costs while trying to raise its prices in a highly competitive environment.

All this amounts to a tall order for Foxboro and Siebe's managements. After eight years of struggling there will be no breathing space.

Saatchi sells management consultancy in US for $70m

By **Alice Rawsthorn** in London

SAATCHI & SAATCHI, the struggling communications company, has reached conditional agreement to sell Gartner Group, one of its US management consultancies, to Information Partners, a US investment fund, for $70m.

Gartner, which specialises in computer services, was one of the largest companies bought by Saatchi in its ill-fated diversification into management consulting.

The Gartner management team, led by Mr Gideon Gartner, the founder of the consultancy, has been trying to organise a buy-out for the business since Saatchi put its consulting division up for sale last summer.

The management found it difficult to secure funding because of the depressed state of the US banking market.

Saatchi has agreed terms to sell Gartner to Information Partners, which is backed by Dun & Bradstreet, the market research group. Mr Robert Louis-Dreyfus, who became chief executive of Saatchi in January, sold IMS International, a pharmaceutical research company, to Dun & Bradstreet in 1988.

Information Partners specialises in information industry management buy-outs. Its backers include Bain Capital, part of the Bain consulting group, as well as Dun & Bradstreet.

Information Partners hopes to secure the participation of Gartner's staff and plans to offer them 25 per cent of the equity. Mr Gideon Gartner yesterday held his first meeting to discuss the deal with Mr Stephen Pagliuca, managing general partner of Information Partners, at Saatchi's headquarters, in London. Mr Pagliuca said their discussions were positive.

Saatchi, which bought Gartner for $86m, will receive $55m in cash and $15m as either a subordinated promissory note or exchangeable preferred stock on completion.

This means that Saatchi will meet its target of raising £80m ($142.36m)(gross) from disposals this year. The net proceeds of the disposals (£65m after expenses) of Gartner and Hay, which was sold last month, should reduce Saatchi's year end debt from £260m ($458m) to £195m. Saatchi's shares rose by 1p to 85p yesterday.

There are now three consultancies left within Saatchi. The sale of Litigation Sciences for about £5m should be completed by the end of the group's financial year which is on September 30.

The two remaining consultancies, MSL and CPC, are likely to be kept until the condition of their markets, recruitment and property respectively, improve.

Northwest considers Eastern bid

By **Roderick Oram** in New York

NORTHWEST Airlines is exploring a bid for fellow US carrier Eastern Air Lines. As a first step, it will meet soon with officials of the country's militant machinists union.

Co-operation of the International Association of Machinists will be vital to any transaction. A strike by its members, running since March, 1989, drove Eastern to seek Chapter 11 protection from the bankruptcy court.

"Everything is just exploratory at this point," said Mr James Conley, a union spokesman. "We would welcome anybody who was determined to put the airline back on its feet."

The union is the largest at both airlines, representing about 20,000 employees at Northwest and 8,500 at Eastern.

NWA, parent of Northwest, had no comment on the pending talks although in the past it has indicated an interest in acquiring another carrier.

"It's fair to say we have our eyes open," Mr Al Checchi, NWA's chairman who led a group of investors in a $3.65bn buy-out of NWA last year, said two weeks ago at a press conference.

Northwest is the fourth largest US carrier and Eastern the seventh. Eastern's prime attraction would be its route hub at Atlanta's main airport where it controls 47 gates.

Eastern's strength in the southeastern US would help feed NWA's small but expanding transatlantic routes and complement Northwest's strength in the midwest, northwest and across the Pacific.

But Eastern is a deeply troubled airline with an aging fleet and fraught labour relations. It continues to consume its cash reserves and faces a $95m payment to creditors in September.

Earlier this year, the court took away the right to devise a restructuring plan for Eastern from Texas Air, the holding company run by Mr Frank Lorenzo and recently renamed Continental after its other airline subsidiary. New court-appointed management led by Mr Martin Shugrue is due to present its own plan to creditors later this month.

Judged by its past performance, Northwest could have difficulty absorbing Eastern. It had big problems merging the operations of other carriers it has taken over, most notably Republic Airlines.

Spanish textile producers start to feel the pinch

Peter Bruce reports on the industry's growing problems

SPAIN'S highly fragmented textile producers, once one of the country's most virile industrial sectors, are beginning to show serious signs of wear and tear as growing imports, high interest rates and tight credit begin to bite.

Centred traditionally around Barcelona, where about a thousand mainly small companies employ more than 35,000 people, the sector has had a run of bad luck recently from a mysterious outbreak of fires, which last year destroyed 33 plants, to a wave of bankruptcies in the first half of 1990.

This week one of the sector's largest fabric finishers, Proceso y Acabados Textiles, closed with debts of more than Pta2bn ($20m). It was the 48th bankruptcy in the textile sector this year though so far things have not become as bad as 1988, when 52 companies closed.

Although the closures make only a small dent in the total number of operatives in the sector it is becoming increasingly clear that, apart from large well capitalised producers or smaller ones in value-added niche markets, the highly individualist industry is not coping that well with Spain's entry into the European Community.

The Spanish have been forced to accept a dramatic drop in import tariffs, since joining the EEC in 1986 – from 14.4 per cent then to 6 per cent this year, according to the industry association, Intertextil. Imports, also boosted by the strength of the peseta, have more than trebled since the end of 1985 to some 480,000 tonnes last year while exports have managed only a 4.5 per cent increase in volume terms, to 163,300 tonnes in the same time. In the first quarter of this year, imports rose 29 per cent with Spain managing to export only 10 per cent more.

The sector was helped through its last crisis, in the early 'eighties, by a massive Government restructuring scheme but the European Commission is unlikely to allow a second flow of aid to the sector very soon. Instead, the Government is pressing producers to merge. "Competitors are not always enemies," Mr Fernando Panizo, a senior Industry Ministry official said this week. "The problem is not that imports are growing but that we are incapable of exporting."

Although the outgoing president of Intertextil, Mr Miguel Bosser, warned the same meeting that "you cannot make catastrophic statements about the whole industry," Mr Panizo said Spain exported only 8.4 per cent of the value of textiles it produced. According to a Ministry study, he said, 80 per cent of producers said they had difficulty exporting because they could not speak other languages.

Salzgitter and Preussag merger

PREUSSAG said it would completely merge its business with that of the former state-owned engineering group Salzgitter, Reuter reports.

Preussag took over Salzgitter last October, but the two firms have remained separate entities.

Mr Ernst Pieper, management board chairman of both firms, told the Preussag annual meeting that the two business would be merged into Preussag on September 30. Thereafter, Salzgitter would exist only as an intermediate holding company. Preussag opted for a full merger for tax and accounting purposes.

Mr Pieper said Salzgitter would later become a limited liability firm holding Salzgitter's property assets and subsidiaries. Despite the large size of the merged company, the management board had no divestment plans, he added. It would aim for internal growth.

Starting this year, Preussag's business year will end on September 30, in line with Salzgitter's business year. It previously reported results on a calendar year basis.

Daimler-Benz dissatisfied with operating results

DAIMLER-Benz, West Germany's largest industrial group, said it was dissatisfied with its current operating results, but by 1992 the results should once more be satisfactory, Reuter reports.

"Compared with our traditional yardstick we are not satisfied with our current operating results," Mr Edzard Reuter, management board chairman, told the annual shareholders' meeting yesterday.

However, he said the recent restructuring should soon pay off and it would not be long before these results were again satisfactory.

Last year Daimler's group net profit, including extraordinaries, rose to DM6.81bn ($4.12bn) from DM1.7bn the year before.

On a comparable basis, however, group net profit was about unchanged at nearly DM1.7bn.

Earnings were boosted DM6.5bn in 1989 by the adaptation of new accounting rules but this was offset by extraordinary charges of DM1.4bn.

Mr Reuter told shareholders that part of the reason for the disappointing earnings last year were weak domestic sales of diesel cars, currency fluctuations, expenditures on the development of new car models and earlier quality problems.

He added that AEG, Daimler's electronics unit, still had not completed preparations to enter new markets.

Daimler's aerospace unit, Deutsche Aerospace (DASA), also had large investments in connection with the development of the new Dornier 328 aircraft, Mr Reuter said.

However, he was not dissatisfied with DASA's operating results.

DASA last week said it would make a group profit by 1992 at the latest.

Reuter said Daimler is boosting efforts to increase car sales to counter lower earnings due to the strengthening of the D-Mark against significant currencies.

NEWS IN BRIEF

BRIDGESTONE, the world's third largest tyre maker, is setting up a new, Brussels-based company to co-ordinate Bridgestone and Firestone tyre operations within Europe, writes John Griffiths.

The company, Bridgestone/Firestone Europe, will have responsibility for 19 Bridgestone and Firestone production and sales companies in Europe. The manufacturing companies have a combined capacity of around 65,000 units per day.

Bridgestone, Japan's largest tyre manufacturer, surprised the world tyre industry by outbidding Pirelli to acquire Firestone Tire and Rubber – the second largest US tyre maker – for $2.6bn two years ago.

The new company will have responsibility for the overall management – and eventual integration – of production, distribution and sales of the two brands.

■ Nestlé, the Swiss food and consumer products group, has reached a series of co-operation agreements for production of goods for sale in East Germany, AP-DJ reports.

The contracts with East German factories provide for the manufacture of products that Nestlé will distribute in East Germany under its own brand names.

Nestlé officials estimate sales in the medium term in East Germany could amount to the equivalent of around SFr460m ($330m). About 1,000 East German workers will be employed under the deals.

● Georg Fischer, the Swiss engineering group, said it would allow all shareholders to own up to 10,000 registered shares each in future. Swiss shareholders could previously own up to 4,000 registered shares, and foreigners 400.

Fischer said, however, that it would cease registering foreign buyers of its registered stock, if this was necessary to enforce a company statute that foreigners should not own more than 50 per cent of the voting rights.

■ Mayne Nickless, an Australian transport-based group, has bought full control of two Spanish security services companies for an undisclosed price.

They are Commercial International de Seguridad (Cinsesa), which supplies alarm systems, and GMIC Seguridad, which operates guard services.

Elf-Aquitaine expansion quickens

William Dawkins reports on the plans of the company's new leader

Elf-Aquitaine, the flagship of France's state-owned oil industry, has been making larger waves than usual over the past year.

Much of this is due to the influence of the new man at the helm, Mr Loïk Le Floch Prigent, a tough 47-year-old Breton who took over at the world's ninth largest oil group almost 12 months ago, who now vows that his big aim is to boost Elf's share price.

He has wasted no time in adding to Elf's oil and gas reserves and expanding internationally in refining, chemicals, and pharmaceuticals, placing Elf at the forefront of the international acquisitions being made by France's aggressive state-controlled industries.

Elf's shares have risen some 40 per cent to around FFr664 since the turn of the year – touching a high of FFr740 last month – as a result. But Mr Le Floch Prigent is not satisfied. On a prospective price earnings ratio of 8.45, Elf is still one of the cheapest of the world's oil majors, a valuation that Elf executives fears comes from investors' misplaced uncertainties about the state's role as a 56 per cent shareholder through the government holding company, Erap.

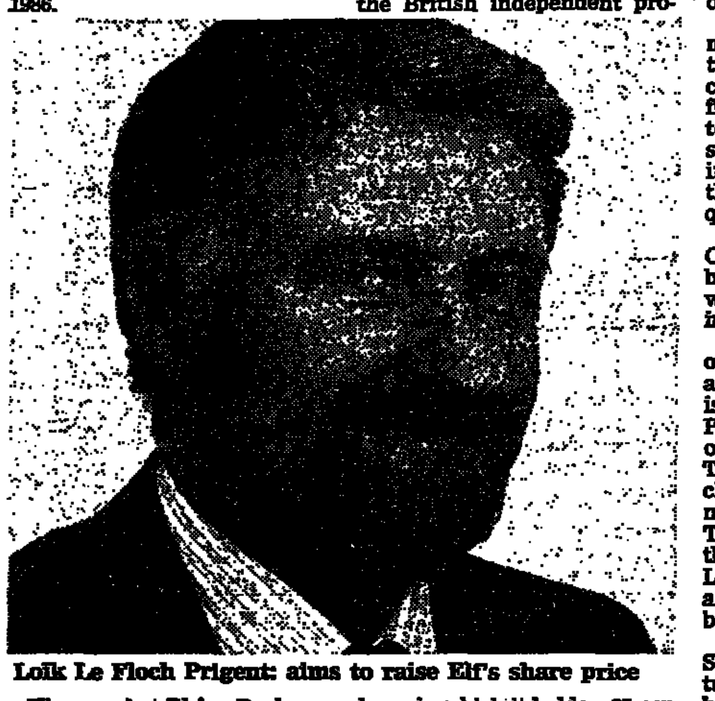
"We are not a state-owned company . . . We have 400,000 public shareholders and so we have the same criteria as any other quoted company," insists Mr Le Floch Prigent, in his spartan office on the 44th floor of Elf's mirror-clad tower block. He admits, at the same time, that having a majority state shareholder is a boon.

"It's an asset on the one hand to have a shareholder in whom we can have confidence, and on the other to be on the market like other companies with the same rules of behaviour as BP, Shell or Exxon with whom we are in competition."

The bearded and straight-talking Mr Le Floch Prigent cuts a refreshingly unusual figure among France's smooth business elite. While many of his peers were drawn from the cream of the Grandes Ecoles – the state higher education bodies that produce many of France's political and industrial leaders – Mr Le Floch Prigent graduated from the relatively unknown Institut National Polytechnique de Grenoble and the University of Missouri.

After a succession of civil service jobs, his appointment as chairman of the newly nationalised Rhône-Poulenc raised eyebrows among those who alleged that he was a political appointee of the Socialist party, had no business experience and was dangerously close to the trade unions.

In the end, he confounded his critics by engineering an impressive turnround at Rhône-Poulenc, winning himself a fine reputation among France's business elite, before being thrown out by the ensuing right-wing Government in 1986.



Loïk Le Floch Prigent: aims to raise Elf's share price

His record at Rhône-Poulenc, and his Socialist ties, is exactly why this Socialist Government picked him to take over from Mr Michel Pecqueur, the former chairman who was involved in an abortive privatisation plan for Elf under the right-wing administration.

As a former industrial policy adviser to the Administration, Mr Le Floch Prigent can hardly be expected to challenge the notion of state-ownership – indeed he defends it bluntly. While the basic shape of Elf is not changing much, the company is moving faster than ever under the firm hand of Mr Le Floch Prigent, with an increasing concentration on chemicals, an industry close to the heart of this former chairman of Rhône Poulenc.

In oil and gas, Elf has bought acreage in Nigeria, taken over the exploration and production interests of BP France and acquired new areas in the Norwegian sector of the North Sea.

To cap it all, Elf last month became the first western oil company to strike an exploration and production deal in the Soviet Union, the fruit of a painstaking negotiation started last September.

Recently, speculation ran high over whether Elf would launch a bid for Enterprise Oil, the British independent producer in which it holds a 25 per cent stake. Mr Le Floch Prigent refuses to be drawn, beyond revealing that Elf is debating whether to reduce or increase its stake.

"We aren't here to make purely financial investments. We haven't made any decision, but what interests me is what it is possible to do that will be best for our business," he says. He scoffs at suggestions that an acquisition of Enterprise by Elf would amount to the nationalisation of a privatised British company by France. "When we make an acquisition, we don't nationalise it. Nobody would think of saying the same thing about BP," argues Mr Le Floch Prigent.

Downstream, Elf has been even more busy. Mr Le Floch Prigent was convinced right from the start that he wanted to expand Elf's activities in fine chemicals through its Atochem offshoot and pharmaceuticals through its Sanofi subsidiary, a pattern followed by several of his competitors in search of a balance to their volatile oil earnings.

Last July's $1.05bn takeover of Pennwalt, the US chemicals group, was his first shot in that direction, followed by the acquisition of the petrochemicals and fertiliser activities of Orkem, the French state owned chemicals group.

The Orkem deal was the main feature of a reorganisation of France's state-owned chemicals sector, resulting from a confidential report written by Mr Le Floch Prigent shortly before joining Elf warning that the industry lacked the critical size to compete adequately on the world stage.

The fastest growing parts of Orkem, the Bostik adhesives businesses and Coates in ink, were sold to Elf's counterpart in the state oil sector, Total.

Which company came best out of the division of Orkem is a matter of debate, although it is no secret that Mr Le Floch Prigent fought long and hard over Orkem with Mr Serge Tchuruk, the equally tough chairman of Total. The two men are fierce rivals, since Mr Tchuruk, at 52 slightly older than the Elf chairman, was Mr Le Floch Prigent's number two at Rhône-Poulenc before becoming chairman of Orkem.

It says something about this Socialist Government's attitude to industrial policy that it has chosen two such strong personalities to take charge of its two oil companies. They contrast sharply with the discreet styles of Mr Pecqueur and of Mr Tchuruk's predecessor at Total, the statesmanlike Mr François-Xavier Ortoli.

France's two oil barons are far too canny to criticise each other. Mr Tchuruk did tell a meeting of analysts recently that they should not assume that Elf would take over Total in any restructuring of the French oil industry – that it could be the other way round. Such a merger is not on the cards at the moment, but Mr Le Floch Prigent would not agree with the analysis of his former number two.

This announcement is neither an offer to sell nor a solicitation of an offer to buy these securities.

June, 1990

29,876,543 Shares

American Express Company

Common Shares

This portion of the underwriting was offered outside the United States, Hong Kong, Japan, Korea and Singapore by the undersigned.

4,000,000 Shares

Lehman Brothers International

Bear, Stearns International Limited

Goldman Sachs International Limited

Kidder, Peabody International Limited

Lazard Brothers & Co., Limited

Morgan Stanley International

Salomon Brothers International Limited

Amsterdam-Rotterdam Bank N.V. — BNP Capital Markets Limited — Banco Hispano Americano S.A. — Banque Indosuez — Barclays de Zoete Wedd Limited
COMMERZBANK Aktiengesellschaft — County NatWest Limited — Crédit Lyonnais Securities — Deutsche Bank Aktiengesellschaft — Dresdner Bank Aktiengesellschaft — Generale Bank
Istituto Bancario San Paolo di Torino — Kleinwort Benson Limited — Merrill Lynch International Limited — J.P. Morgan Securities Ltd. — Paribas Capital Markets Group
NM Rothschild & Sons Limited — Société Générale — Swiss Bank Corporation Investment Banking — UBS Phillips & Drew Securities Limited — S.G. Warburg Securities

This portion of the underwriting was offered in the United States by the undersigned.

14,300,000 Shares

Lehman Brothers

Bear, Stearns & Co. Inc.

Goldman, Sachs & Co.

Kidder, Peabody & Co. Incorporated

Lazard Frères & Co.

Morgan Stanley & Co. Incorporated

Salomon Brothers Inc

Sanford C. Bernstein & Co., Inc. — Alex. Brown & Sons Incorporated — Dillon, Read & Co. Inc. — Donaldson, Lufkin & Jenrette Securities Corporation — Hambrecht & Quist Incorporated
Merrill Lynch Capital Markets — Montgomery Securities — Nomura Securities International, Inc. — PaineWebber Incorporated — Prudential-Bache Capital Funding
Robertson, Stephens & Company — Smith Barney, Harris Upham & Co. Incorporated — Wertheim Schroder & Co. Incorporated — Dean Witter Reynolds Inc.
Advest, Inc. — Arnhold and S. Bleichroeder, Inc. — William Blair & Company — Blunt Ellis & Loewi Incorporated — J. C. Bradford & Co. — Cowen & Company — Dain Bosworth Incorporated
First Manhattan Co. — Gruntal & Co., Incorporated — Interstate/Johnson Lane Corporation — Janney Montgomery Scott Inc. — Ladenburg, Thalmann & Co. Inc.
Legg Mason Wood Walker Incorporated — McDonald & Company Securities, Inc. — Morgan Keegan & Company, Inc. — Needham & Company, Inc. — Neuberger & Berman — Piper, Jaffray & Hopwood Incorporated
Prescott, Ball & Turben, Inc. — The Robinson-Humphrey Company, Inc. — Stephens Inc. — Stifel, Nicolaus & Company Incorporated — Tucker Anthony Incorporated — Wheat First Butcher & Singer Capital Markets
AIBC Investment Services Corp. — Baird, Patrick & Co., Inc. — Robert W. Baird & Co. Incorporated — Bateman Eichler, Hill Richards Incorporated — Boettcher & Company, Inc.
Brean Murray, Foster Securities Inc. — Carmona, Ferrand, Montes Securities Corporation — The Chicago Corporation — D. A. Davidson & Co. Incorporated — R. G. Dickinson & Co.
Doft & Co., Inc. — Doley Securities, Inc. — Fahnestock & Co. Inc. — First Albany Corporation — First of Michigan Corporation — Furman Selz Mager Dietz & Birney Incorporated
Gabelli & Company, Inc. — Gerard Klauer Mattison & Co. — Howard, Weil, Labouisse, Friedrichs Incorporated — Jesup, Josephthal & Co., Inc. — C.J. Lawrence, Morgan Grenfell Inc.
WR Lazard, Laidlaw & Mead Incorporated — Lovett Underwood Neuhaus & Webb, Inc. — Mabon, Nugent & Co. — The Ohio Company — Parker/Hunter Incorporated
Pennsylvania Merchant Group Ltd — Pryor, McClendon, Counts & Co., Inc. — Ragen MacKenzie Incorporated — Rauscher Pierce Refsnes, Inc.
Raymond James & Associates, Inc. — Roney & Co. — Scott & Stringfellow Investment Corp. — Muriel Siebert & Co., Inc. — Smith, Moore & Co.
Southwest Securities, Inc. — Sutro & Co. Incorporated — Wedbush Morgan Securities — William K. Woodruff & Company Incorporated

This portion of the underwriting was offered in Hong Kong, Japan, Korea and Singapore by the undersigned.

1,700,000 Shares

Lehman Brothers International

Daiwa Securities (H.K.) Ltd

The Nikko Securities Co. (Asia) Limited

Nomura International

Yamaichi International (H.K.) Limited

Daewoo Securities Co., Ltd. — The Development Bank of Singapore Ltd — Jardine Fleming International Inc. — Nippon Kangyo Kakumaru (Europe) Limited

Subject to certain conditions, the Company will also sell the below referenced shares to Nippon Life Insurance Company at the public offering price.

9,876,543 Shares

Lehman Brothers

Big bucks in the energy sector rival rodeo stampede

Bernard Simon examines the recent flurry of exchange activity among Canada's oil and gas producers

WHILE western Canada's best-known stampede is the boisterous rodeo, wagon racing and pancake breakfast festival which is pulling in the crowds in Calgary this week, a less noisy stampede is also taking place among the region's energy producers.

It is hard to find a company which is not buying, selling or restructuring at least some of its oil and gas properties. Mr Frank Sayer, president of Sayer Securities, a Calgary corporate finance boutique specialising in oil and gas deals, estimates that by the end of June, almost 40 companies had some C$4bn (US$3.4bn) worth of assets on the block, compared with 26 companies selling some C$2.7bn in properties just three months previously.

Conversely, each fortnightly bulletin published by Investment Canada, the Government's foreign investment watchdog, is peppered with names of foreign buyers of oil and gas properties.

The latest bulletin includes the purchase by Chevron Canada Resources of a number of Alberta oil and gas leases from Esso Resources, an Exxon subsidiary; and an investment by a Texas company, Aviva Petroleum, in Red Cliff Energy, a small Calgary exploration and development company.

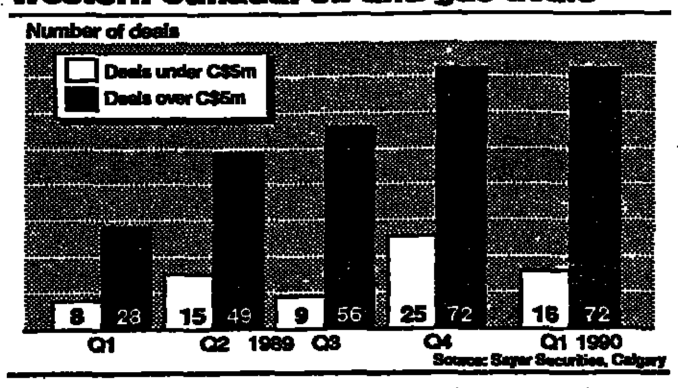
The flurry of activity is reflected in a mushrooming of the middlemen who make a living by bringing buyers and sellers together. Ebco International, a group specialising in auctions of oil and gas properties, held the first North American auction with reserve prices in Calgary last February, with nine sellers putting 102 properties up for sale. Ebco aims to put about 120 items under the hammer at its next auction in September.

Much of the deal-making is part of a general belt-tightening in response to stagnant prices and tighter margins. "People recognise that they can't be all things to everybody," says a strategic planning executive at one large producer. "Companies are now focusing on their strengths."

Thus, many of the assets put up for sale are minority interests in oil and gas fields which do not fit into revamped corporate plans.

Two of the most active sellers are Amoco and Esso Resources, which are rationalising their interests in the wake of the Canadian oil industry's two biggest takeovers.

Western Canada: oil and gas deals



Source: Sayer Securities, Calgary

Amoco is in the process of selling some of the 20,000 properties in which it gained an interest three years ago when it bought the faltering giant of the western Canadian oil industry, Dome Petroleum. Similarly, Esso is spinning off some of the assets it acquired when its parent company, Imperial Oil, bought Texaco Canada last year.

In each case, Investment Canada required the buyer to divest some businesses as a condition for approving the takeover.

Some properties have been put up for sale by mining and industrial companies keen to get out of the oil business. Three mining groups, Placer Dome, Teck Corp and Denison Mines, as well as Domtar, the forestry company, have been among the sellers.

At the risk of generalising, the big companies – such as Esso, Shell, Amoco and Petro-Canada – appear to be concentrating their efforts on western Alberta, leaving the more speculative properties in eastern Alberta and Saskatchewan to more junior companies.

The action is by no means over. Several of the partners in the big Syncrude oilsands project in Alberta are looking for buyers for their shares.

Petro-Canada is selling off an estimated C$350m worth of assets ahead of its privatisation. BP Canada, Gulf Resources and Home Oil are all in the midst of corporate restructurings likely to involve a rejuggling of priorities.

Curiosity centres on Husky Oil, jointly owned by Nova Corp of Calgary and Mr Li Kashing, the Hong Kong magnate. Nova has said that it is examining its 43 per cent stake in Husky, and rumours in Calgary suggest that Mr Li may also be thinking of reducing his interest in the company.

The buyers cover a wide spectrum. Fletcher Challenge of New Zealand made its first foray into the north American energy industry earlier this year by paying C$118m for four sizeable gas fields, an oil field and a number of exploration properties in the Provost area of Alberta. OMV, the Austrian oil company, has set up an office in Calgary and spent C$100m on three fields put up for sale by Esso.

Stagnant oil prices, compounded by a strong Canadian dollar, have made acquisitions more attractive for many companies than spending heavily from cash flow on speculative exploration and development.

According to the Canadian Petroleum Association, the 5,804 wells drilled in Canada last year were the lowest number in more than a decade, less than half the number drilled in 1985 and 35 per cent fewer than in 1988.

Mr Hans Maciej, CPA vice-president, says the industry will have "a tough time" this year even matching 1989 drilling activity. Besides, thin margins, an unusually early spring thaw followed by several weeks of rainy weather has curtailed drilling programmes. "We're no longer an industry that will drill 10,000 wells a year," Mr Maciej says. "There just isn't the money around."

Lufthansa reports disappointing results

LUFTHANSA, the 51 per cent state-controlled West German airline, has recorded "disappointing" earnings for the first quarter of 1990, Mr Heinz Ruhnau, chairman, said yesterday, agencies report.

He told the annual shareholders meeting in Duisburg, that the company was taking action to buoy profitability in the remainder of the year. "Whenever the financial results do not go according to plan, then swift and decisive counter measures must be taken," he said.

Mr Ruhnau did not disclose any first-quarter financial data. He reiterated suggestions made in May that the first quarter was weak.

He noted that fuel costs, although stable, had remained relatively high, while the impact of the firm D-Mark against the dollar had negatively affected currency translations.

The company had also been facing rising operating costs and the negative impact of significant flight delays, especially in its European network, had hurt profitability.

Mr Ruhnau noted that Lufthansa planned to spend about DM10bn ($6bn) on capital outlays between now and the end of 1992 to fund its global expansion, especially as the European airline market was deregulated.

Current plans, he said, were to step up Lufthansa's fleet by a third to 266 aircraft from about 200 aeroplanes at present.

Separately, Swissair said cost-cutting measures introduced to reverse a slump in business in the early part of the year were starting to bite. Swissair froze new hiring, restricted staff travel and expenses and began to review routes that could be dropped after failing to improve its below-target traffic and revenue.

May costs rose 6 per cent from May 1989 against income growth of 5 per cent. In the year to April, costs had risen 10 per cent while revenues grew only 3 per cent.

Swissair said the improvement in the cost/revenue ratio was at least sufficient to offset the negative effect of currency swings.

It showed that "corrective measures initiated in March and augmented in May are now starting to take effect."

Changing setting for US jewellery

Karen Zagor looks at a retailing sector after Ratners' $412m bid

IT WOULD seem a strange time to make a foray into the US jewellery market, when sales are anything but glittering.

But earlier this week Ratners Group, the UK jewellery retailer, doubled its US presence by adding 494 stores when it bought Kay Jewelers in a deal valued at $412.2m. The UK company already owns 473 Sterling stores in the US.

Industry sales in the US have not grown since 1988, after years of returning a healthy annual growth rate of about 10 per cent. The problem is that jewellery sales rely entirely on disposable income and are particularly sensitive to cyclical changes in the economy.

At the moment, sales "are somewhere between soft and sick," according to Mr Kenneth Gassman, an analyst at Wheat First Securities in Virginia.

This year, US jewellery sales are expected to be flat at about $22bn, according to Mr Michael Roman, chairman of Jewelers of America. But it is difficult to keep track of businesses in the fragmented world of US jewellery retailing and the figure is a very rough estimate. Only about 3,000 of the estimated 61,000 US jewellery stores belong to public companies. The remainder are small, "mom and pop" operations.

If Ratners succeeds in acquiring Kay, the two biggest US jewellery chains will be in foreign hands. Canada's Peoples Jewellers already controls about 10 per cent of America's jewellery sales – the biggest share of the US market – through its 2,000 Zale and Gordon Jewelry stores.

Overall sales may be slow, but the relatively cheap US dollar can make acquisitions cheap for foreigners.

In addition, big companies such as Ratners and Peoples, have the expertise to cut overheads by consolidating computer and inventory control systems. Ratners is well regarded for its sophisticated technology which allows it to replace fast-selling items almost immediately.

Foreign jewellery companies are also attracted to the US by the buying pattern of Americans, which is not as concentrated at Christmas as it is in most of Europe. Although the bulk of sales and profits are rung up over Christmas, Americans have proved singularly susceptible to the combination of sentiment and commerce and tend to spend heavily on Mother's and Father's days, in May and June, when there are also a high number of weddings. Furthermore, the US is the world's biggest engagement ring market.

According to Ms Meredith Adler, an analyst at First Boston, jewellery does not fall neatly into the retailing category, since it is primarily a gift item and is generally immune to fashion trends.

Ratners has been accused of acting rashly in its Kay acquisition because of the US company's bad debts. Kay's bad account write-offs were about 7.5 per cent at the end of December, compared with 3.4 per cent at Zales and 2.5 per cent at Sterling.

Kay ran into difficulty, according to Mr Roman, because its credit policy was too loose. "It's OK to say OK," was the company's motto. When the economy started to weaken, Kay was left with a growing number of bad credits. Ratners is unlikely to be as liberal with credit.

Although Ratners has said it would like to increase its US market share to 10 per cent from about the 6 per cent it will achieve with the Kay purchase, expansion through acquisition will be difficult. The only remaining big jewellery chain is Barry's, a troubled west coast operation with about 216 stores.

Analysts believe the existing US chains will probably grow, but the general consensus is that they will never usurp the dominance of the family businesses.

Campeau misses second deadline to find C$40m

By Robert Gibbens in Montreal

MR ROBERT CAMPEAU has missed a second deadline to come up with C$40m (US$34m) needed to regain control of Campeau Corporation from National Bank of Canada.

The bank says talks are continuing with Mr Campeau and he could be granted another extension.

Mr Campeau owed the bank the $40m as first instalment of a $80m payment due on June 30. It would allow him to regain control of 13m common shares of Campeau Corp and 4m preferred shares. He forfeited the shares and a $60m convertible debenture in January after defaulting on a $150m personal loan from National Bank.

The bank said whether Mr Campeau wins a further extension will depend on negotiations Campeau Corp is having with its two main creditors, Edward J. DeBartolo Corp and Olympia and York Developments. The outcome might be known later this week, it added.

The bank also said it is satisfied with the first-quarter results of Campeau Corp's two big US retailing groups.

Notice of an Adjourned Meeting of the Holders of

Bond Finance (Exchangeables) Limited
(the "Issuer")

£103,850,000 6 per cent.
Guaranteed Exchangeable Bonds due 1998
Exchangeable into Ordinary Shares of Allied-Lyons PLC
and guaranteed on a subordinated basis by

Bond Corporation Holdings Limited
(the "Guarantor")

NOTICE IS HEREBY GIVEN that an adjourned Meeting of the holders (the "Bondholders") of the above-mentioned Bonds (the "Bonds") constituted by a Trust Deed dated 6th July, 1988 (the "Trust Deed") and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee") will be held at 12.30 pm (London time) (or, if later, immediately after the conclusion of the adjourned Meeting of the holders of the £125,000,000 6 per cent. Guaranteed Exchangeable Bonds due 1998 of Bond Finance (Europe) Limited), on 19th July, 1990 at 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW for the purpose of considering and, if thought fit, passing the following Extraordinary Resolution which was the subject of a Notice of Meeting dated 6th June, 1990 published in this newspaper on that date and which gave notice of a Meeting of Bondholders to be held on 28th June, 1990. At such Meeting a quorum was not present and it stood adjourned to the time and place mentioned above, as designated by the Chairman of the Meeting and approved by the Trustee:–

EXTRAORDINARY RESOLUTION

THAT this meeting of the holders of the £103,850,000 6 per cent. Guaranteed Exchangeable Bonds due 1998 (the "Bonds") of Bond Finance (Exchangeables) Limited (the "Issuer"), exchangeable into Ordinary Shares of Allied-Lyons PLC and guaranteed on a subordinated basis by Bond Corporation Holdings Limited (the "Guarantor"), constituted by a Trust Deed (the "Trust Deed") dated 6th July, 1988 and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee"), hereby:–

(i) waives and authorises any breach or proposed breach by the Issuer or the Guarantor of the covenant by the Guarantor contained in Clause 19(C) (iii) of the Trust Deed that may arise as a result of the sale by the Guarantor of 50 per cent. of the issued ordinary share capital and all of the issued preference share capital of Bond Brewing Holdings Limited ("BBH") to Manchar Holdings Pty. Ltd., a wholly owned subsidiary of Bell Resources Limited, on the terms more particularly set out in the Information Memorandum dated 6th June, 1990 prepared by the Guarantor and produced to this Meeting (a copy of which has been initialled for identification by the Chairman of the Meeting) (or such terms as from time to time modified or amended (including by way of novation to a different purchaser of the agreement relating to such sale) provided that the Guarantor shall have procured that its auditors for the time being shall have certified to the Trustee in form and manner acceptable to the Trustee that any such modification or amendment or novation shall have no greater impact on the ability of BBH or any of its subsidiaries to make payments or otherwise to make amounts available to the Guarantor than the terms of the proposed sale more particularly described in the Information Memorandum and shall not include any material change in the purchase price of such sale);
(ii) sanctions every abrogation, modification, variation, compromise or arrangement in respect of the rights of the holders of the Bonds and the coupons relating to the Bonds against the Issuer or the Guarantor involved in or resulting from the breach or proposed breach referred to in paragraph (i) of this Resolution; and
(iii) authorises the Issuer, the Guarantor and the Trustee to concur in, execute or do any document, act or thing necessary to give effect to this Extraordinary Resolution and authorises the Trustee to provide any formal consent or approval necessary to enable the sale as referred to in (i) above to proceed.

Copies of the information memorandum (the "Information Memorandum") referred to in the Extraordinary Resolution set out above and which sets out details of the background to, and reasons for, the proposed arrangements and the Extraordinary Resolution are available for collection by Bondholders at the specified offices of the Paying Agents for the Bonds set out below and will be available at the adjourned Meeting itself. A Bondholder will be required to produce evidence satisfactory to the relevant Paying Agent as to his status as a Bondholder before being permitted to collect a copy of the Information Memorandum from the offices of that Paying Agent.
The attention of Bondholders is particularly drawn to the quorum required for the adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below.
In accordance with normal practice the Trustee expresses no opinion on the merits of the proposed arrangements.

VOTING AND QUORUM

1. A Bondholder wishing to attend and vote at the adjourned Meeting in person must produce at the adjourned Meeting either his Bond(s), or a valid voting certificate or valid voting certificates issued by a Paying Agent relative to the Bond(s), in respect of which he wishes to vote.
A holder of Bonds not wishing to attend and vote at the adjourned Meeting in person may either deliver his Bond(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified office of any of the Paying Agents specified below) instructing a Paying Agent to appoint a proxy to attend and vote at the adjourned Meeting in accordance with his instructions.
Bonds may be deposited until the time being 48 hours before the time fixed for holding the adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) but not thereafter with any Paying Agent or (to the satisfaction of the Paying Agent) held to its order or under its control by the Operator of the Euroclear System or by CEDEL S.A., or any other person approved by it for the purpose of obtaining voting certificates or appointing proxies in respect of the adjourned Meeting. Bonds so deposited or held will not be released until the earlier of the conclusion of the adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) and the surrender of the voting certificate(s) or, not less than 48 hours before the time for which the adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) is convened, the voting instruction receipt(s) issued in respect thereof.
Any voting certificate(s) issued, any voting instruction(s) given and any appointment(s) of a proxy made pursuant thereto for the Meeting of Bondholders convened for 28th June, 1990 will be valid for the adjourned Meeting unless, in the case of voting certificates, surrendered before, or in the case of voting instructions, revoked or amended not less than 48 hours before, the time for which the adjourned Meeting is convened. Any Bondholder who, for the purpose of obtaining a voting instruction form or voting certificate deposited his Bond as referred to above, later than 48 hours before the time appointed for holding the Meeting convened for 28th June, 1990 and who consequently was not issued with a voting instruction form or voting certificate will, provided such Bond has not been released, be issued with a voting instruction form or, as the case may be, voting certificate for use in connection with the adjourned Meeting.
2. The quorum required at the adjourned Meeting for passing the Extraordinary Resolution (the "Resolution") set out above is two or more persons present holding Bonds or voting certificates or being proxies or representatives (whatever the principal amount of the Bonds so held or represented by them).
3. Every question submitted to the adjourned Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the adjourned Meeting or the Issuer or by two or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth part of the principal amount of the Bonds then outstanding. On a show of hands every person who is present in person and produces a Bond or voting certificate or is a proxy or representative shall have one vote. On a poll every person who is so present shall have one vote in respect of each £1,000 in principal amount of the Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative.
4. To be passed, the Resolution requires a majority in favour consisting of not less than three-fourths of the votes cast thereon. If passed, the Resolution will be binding upon all the Bondholders, whether or not present at the adjourned Meeting and whether or not voting, and upon all the holders of coupons relating to the Bonds.

AVAILABILITY OF DOCUMENTS

Copies of the Trust Deed may be inspected, and copies of the Information Memorandum, voting certificates and other documents referred to above may be obtained, by Bondholders from the specified office of any of the Paying Agents given below.

PRINCIPAL PAYING AGENT
Bankers Trust Company, 1 Appold Street, Broadgate, London EC2A 2HE.

PAYING AGENTS
Swiss Bank Corporation, 1 Aeschenvorstadt, CH-4002 Basle.
Bankers Trust Luxembourg S.A., 14 Boulevard F.D. Roosevelt, L-2450 Luxembourg.

Dated 5th July, 1990 — Bond Finance (Exchangeables) Limited

This Notice has been approved by an authorised person for the purposes of the Financial Services Act 1986.

THIS NOTICE IS IMPORTANT. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

Notice of an Adjourned Meeting of the Holders of

Bond Finance (Europe) Limited
(the "Issuer")

£125,000,000 6 per cent.
Guaranteed Exchangeable Bonds due 1998
Exchangeable into Ordinary Shares of Allied-Lyons PLC
and guaranteed on a subordinated basis by

Bond Corporation Holdings Limited
(the "Guarantor")

NOTICE IS HEREBY GIVEN that an adjourned Meeting of the holders (the "Bondholders") of the above-mentioned Bonds (the "Bonds") constituted by a Trust Deed dated 30th March, 1988 (the "Trust Deed") and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee") will be held at 12.00 noon (London time), on 19th July, 1990 at 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW for the purpose of considering and, if thought fit, passing the following Extraordinary Resolution which was the subject of a Notice of Meeting dated 6th June, 1990 published in this newspaper on that date and which gave notice of a Meeting of Bondholders to be held on 28th June, 1990. At such Meeting a quorum was not present and it stood adjourned to the time and place mentioned above, as designated by the Chairman of the Meeting and approved by the Trustee:–

EXTRAORDINARY RESOLUTION

THAT this meeting of the holders of the £125,000,000 6 per cent. Guaranteed Exchangeable Bonds due 1998 (the "Bonds") of Bond Finance (Europe) Limited (the "Issuer"), exchangeable into Ordinary Shares of Allied-Lyons PLC and guaranteed on a subordinated basis by Bond Corporation Holdings Limited (the "Guarantor"), constituted by a Trust Deed (the "Trust Deed") dated 30th March, 1988 and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee"), hereby:–

(i) waives and authorises any breach or proposed breach by the Issuer or the Guarantor of the covenant by the Guarantor contained in Clause 19(C) (iii) of the Trust Deed that may arise as a result of the sale by the Guarantor of 50 per cent. of the issued ordinary share capital and all of the issued preference share capital of Bond Brewing Holdings Limited ("BBH") to Manchar Holdings Pty. Ltd., a wholly owned subsidiary of Bell Resources Limited, on the terms more particularly set out in the Information Memorandum dated 6th June, 1990 prepared by the Guarantor and produced to this Meeting (a copy of which has been initialled for identification by the Chairman of the Meeting) (or such terms as from time to time modified or amended (including by way of novation to a different purchaser of the agreement relating to such sale) provided that the Guarantor shall have procured that its auditors for the time being shall have certified to the Trustee in form and manner acceptable to the Trustee that any such modification or amendment or novation shall have no greater impact on the ability of BBH or any of its subsidiaries to make payments or otherwise to make amounts available to the Guarantor than the terms of the proposed sale more particularly described in the Information Memorandum and shall not include any material change in the purchase price of such sale);
(ii) sanctions every abrogation, modification, variation, compromise or arrangement in respect of the rights of the holders of the Bonds and the coupons relating to the Bonds against the Issuer or the Guarantor involved in or resulting from the breach or proposed breach referred to in paragraph (i) of this Resolution; and
(iii) authorises the Issuer, the Guarantor and the Trustee to concur in, execute or do any document, act or thing necessary to give effect to this Extraordinary Resolution and authorises the Trustee to provide any formal consent or approval necessary to enable the sale as referred to in (i) above to proceed.

Copies of the information memorandum (the "Information Memorandum") referred to in the Extraordinary Resolution set out above and which sets out details of the background to, and reasons for, the proposed arrangements and the Extraordinary Resolution are available for collection by Bondholders at the specified offices of the Paying Agents for the Bonds set out below and will be available at the adjourned Meeting itself. A Bondholder will be required to produce evidence satisfactory to the relevant Paying Agent as to his status as a Bondholder before being permitted to collect a copy of the Information Memorandum from the offices of that Paying Agent.
The attention of Bondholders is particularly drawn to the quorum required for the adjourned Meeting which is set out in paragraph 2 of "Voting and Quorum" below.
In accordance with normal practice the Trustee expresses no opinion on the merits of the proposed arrangements.

VOTING AND QUORUM

1. A Bondholder wishing to attend and vote at the adjourned Meeting in person must produce at the adjourned Meeting either his Bond(s), or a valid voting certificate or valid voting certificates issued by a Paying Agent relative to the Bond(s), in respect of which he wishes to vote.
A holder of Bonds not wishing to attend and vote at the adjourned Meeting in person may either deliver his Bond(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified office of any of the Paying Agents specified below) instructing a Paying Agent to appoint a proxy to attend and vote at the adjourned Meeting in accordance with his instructions.
Bonds may be deposited until the time being 48 hours before the time fixed for holding the adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) but not thereafter with any Paying Agent or (to the satisfaction of the Paying Agent) held to its order or under its control by the Operator of the Euroclear System or by CEDEL S.A., or any other person approved by it for the purpose of obtaining voting certificates or appointing proxies in respect of the adjourned Meeting. Bonds so deposited or held will not be released until the earlier of the conclusion of the adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) and the surrender of the voting certificate(s) or, not less than 48 hours before the time for which the adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) is convened, the voting instruction receipt(s) issued in respect thereof.
Any voting certificate(s) issued, any voting instruction(s) given and any appointment(s) of a proxy made pursuant thereto for the Meeting of Bondholders convened for 28th June, 1990 will be valid for the adjourned Meeting unless, in the case of voting certificates, surrendered before, or in the case of voting instructions, revoked or amended not less than 48 hours before, the time for which the adjourned Meeting is convened. Any Bondholder who, for the purpose of obtaining a voting instruction form or voting certificate deposited his Bond as referred to above, later than 48 hours before the time appointed for holding the Meeting convened for 28th June, 1990 and who consequently was not issued with a voting instruction form or voting certificate will, provided such Bond has not been released, be issued with a voting instruction form or, as the case may be, voting certificate for use in connection with the adjourned Meeting.
2. The quorum required at the adjourned Meeting for passing the Extraordinary Resolution (the "Resolution") set out above is two or more persons present holding Bonds or voting certificates or being proxies or representatives (whatever the principal amount of the Bonds so held or represented by them).
3. Every question submitted to the adjourned Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the adjourned Meeting or the Issuer or by two or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth part of the principal amount of the Bonds then outstanding. On a show of hands every person who is present in person and produces a Bond or voting certificate or is a proxy or representative shall have one vote. On a poll every person who is so present shall have one vote in respect of each £1,000 in principal amount of the Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative.
4. To be passed, the Resolution requires a majority in favour consisting of not less than three-fourths of the votes cast thereon. If passed, the Resolution will be binding upon all the Bondholders, whether or not present at the adjourned Meeting and whether or not voting, and upon all the holders of coupons relating to the Bonds.

AVAILABILITY OF DOCUMENTS

Copies of the Trust Deed may be inspected, and copies of the Information Memorandum, voting certificates and other documents referred to above may be obtained, by Bondholders from the specified office of any of the Paying Agents given below.

PRINCIPAL PAYING AGENT
Bankers Trust Company, 1 Appold Street, Broadgate, London EC2A 2HE.

PAYING AGENTS
Swiss Bank Corporation, 1 Aeschenvorstadt, CH-4002 Basle.
Banque Indosuez Luxembourg, 39 Allee Scheffer, L 200 Luxembourg.

Dated 5th July, 1990 — Bond Finance (Europe) Limited

This Notice has been approved by an authorised person for the purposes of the Financial Services Act 1986.

THIS NOTICE IS IMPORTANT. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

Saitama International (Hong Kong) Limited
(Incorporated in Hong Kong)

US $100,000,000
Guaranteed Floating Rate Notes Due 1995

Holders of Floating Rate Notes of the above issue are hereby notified that for the Interest Period from 8th February, 1990 to 8th August, 1990 the accumulated interest amount payable is US $422.86 per US $10,000 nominal.

Agent Bank
Bank of America International Limited

Toray Industries, Inc.
(formerly Toyo Rayon Kabushiki Kaisha)

S.G. Warburg & Co. Ltd. announce that a dividend of Yen 4.50 per share has been paid to shareholders on the books of the above Company as at 31st March, 1990 in respect of the six month period ended on that date.

Holders of Bearer Depositary Receipts issued by S.G. Warburg & Co. Ltd. may present Coupon No. 15 for payment at:–

S.G. Warburg & Co. Ltd., Paying Agency, 2 Finsbury Avenue, London EC2M 2PA
Banque Internationale à Luxembourg, 2 Boulevard Royal, Luxembourg

Payment will be subject to deduction of Japanese Withholding Tax and in London, United Kingdom Tax (where applicable) at the appropriate rates. Details of tax deduction can be obtained from the Paying Agents.

5th July, 1990

DUTY FREE INDUSTRY

The Financial Times proposes to publish this survey on:

20th September 1990

For a full editorial synopsis and advertisement details, please contact

JONATHAN WALLIS
on 071 873 3565

or write to him at:

Number One
Southwark Bridge
London
SE1 9HL

FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Carter Holt plans a return to its century-old roots

Dai Hayward on proposals to sell the company's non-forest assets

In spite of objections from the independent directors of Elders Resources NZFP, the company's new controlling owner – Carter Holt Harvey (CHH), a forestry-based New Zealand group – will press ahead with plans to sell off all the non-forest assets included in the acquisition.

This is in line with the desire of Mr Richard and Mr Ken Carter, the twins who are executive chairman and managing director respectively, to return the company to a wood fibre processing group.

Mr Richard Carter says buyers are lining up for the assets, in oil, gas and coal mining, which could be sold within six months. Anything not sold within 15 months will be auctioned.

The 158,000 hectares of planted forest acquired from Elders Resources, added to CHH's existing 66,000 hectares of planted trees, will give the company a huge forest resource. It will also retain a large pulp and paper mill and modern sawmills.

Before the acquisition CHH had assets of NZ$3bn ($1.77bn). These now rise to around NZ$5.5bn. In their desire to bring the company back to a forestry-based operation, the Carter twins are returning to their family and company roots.

The business began just over 100 years ago when Francis Carter set up a small sawmill to log New Zealand's virgin forests. The business prospered and in 1952 his son Alwyn brought all the family timber and milling interests together in a public company.

Today, run by Francis's twin grandsons, a much expanded CHH is an international forestry, fishing, industrial, energy and investment group with turnover of NZ$1.54bn in the year to March and net profits of NZ$191.4m. It ranked third last year in the New Zealand forestry sector and was the country's fifth largest company by market capitalisation.

After expanding rapidly in Australasia over the past two decades, CHH now also has a big stake in Chile's forestry, fishing and energy industries. Although the decision to move into Chile was made only four years ago, about a third of net profits in its latest year came from Chile, and more than a quarter of its assets were there.

Mr Richard Carter, enthusiastic about the opportunities offered by Chile's economic growth, its large renewable softwood forests and its strategic location among Pacific Rim countries, persuaded his board in 1988 to launch a US$1bn investment and expansion programme there.

Of this US$900m is going into expanded paper, pulp and forestry production and US$100m into fishing. This investment is producing results, with a contribution to profit already coming from sales of an extra 45,000 tonnes produced from the company's bleach kraft mill.

The expansion is now in its second phase. When completed in 1992 production at the mill will be lifted to 800,000 tonnes – doubled over four years. The programme also includes construction of a new medium density fibreboard plant producing wooden panels, expansion of the unbleached kraft production to 265,000 tonnes a year while at the same time reducing production costs and lifting quality.

Other plans include the purchase of modern fishing vessels for the large fleet and expansion of on-shore fish processing facilities.

The programme is being funded mainly from profits and resources of the Chilean companies, with some loans for the main pulp expansion arranged through the World Bank.

The base for CHH's Chilean investments is through its half ownership of Inversiones y Desarrollo Los Andes, an investment company which in turns owns 59.1 per cent of Copec, a large forestry and energy group.

Copec's profits for calendar 1989 were the equivalent of NZ$228m, a jump of 40 per cent. Last November Arauco, a Copec subsidiary, signed an agreement with Sweden's Stora, Europe's largest forest products company, for a joint venture which will involve four pulp mills fed by Arauco's 400,000 hectares of planted radiata pine forests.

CHH also owns half of Fibropaneles Chile, a manufacturing group, and 49.9 per cent of the Pesquera Iquiqu fishing operation.

At home, CHH is in the middle of a restructuring programme which has seen it sell off its New Zealand plastics division, canning operations, retail groups on both sides of the Tasman, and its holding in Southern Australia Perpetual Forest.

Mr Richard Carter says the group's strategic plan is to become an even more significant force in New Zealand's forest industry. One important acquisition, in December 1988, was the previously privately owned Caxton Group of companies which dominates New Zealand's lucrative toilet paper and tissue markets, selling 85 per cent or more of New Zealand's toilet paper.

CHH paid an estimated NZ$300m for Caxton. The purchase doubled its forestry base and added pulp and paper mills and other forestry facilities in New Zealand and the Pacific.

Caxton is described as the world's only integrated tissue maker – from growing the trees, milling, pulp manufacture, production of the tissue through to marketing. CHH has already expanded and improved the operation. A new pulp mill, due for completion later this year, will lift production to 75,000 tonnes, giving CHH 50,000 tonnes of high-grade tissue pulp available for export.

Carter's technicians have also developed new production techniques to improve the bonding strength of fibres in pulp produced from different types of wood, but at the same time consume less energy in the production process. CHH has patented these techniques around the world and is now selling the process to countries such as Sweden.

The restructuring has left the group with stronger cash flows and well placed to attract the benefit from any upturn in the New Zealand economy, but in spite of its Elders Resources acquisition, it is to Chile that the group is looking for the most promising growth during the coming year, says Mr Richard Carter.

BNZ to restructure unit

By Dai Hayward in Wellington

BANK OF New Zealand has cut staff in its Australian operations and restructured there to concentrate on consumer banking.

Mr Lindsay Pyne, chief executive, said BNZ would reduce its operations to three main activities – consumer banking, banking for middle-sized corporate customers and treasury functions. The moves follow a nine-month review of BNZ operations in Australia which accounted for most of this year's bad debt provision of NZ$193m ($114m).

The bank has also closed BNZ North, its stockbroking arm.

Mr Pyne said the BNZ aim was to become a strong Australasian regional bank. It had targeted Australia as a big growth area. Australia accounts for almost 15 per cent of BNZ's total assets of NZ$17.9bn.

The latest 53 redundancies mean BNZ has cut its Australian staff from more than 700 to 450.

Mitsui OSK expansion

By Our Financial Staff

MITSUI OSK Lines, a leading Japanese shipping group,has begun expanding into land-based European transport with the purchase of Wassing, a Dutch trucking company.

No price was disclosed, but one estimate put it at Y2.5bn ($16.5m). The Tilburg-based Wassing had sales last year of Fl 36.4m ($19.5m) and employs 260 people. Mitsui OSK said the purchase was a foothold ahead of the 1992 European Community market unification.

The shipping sector in Japan has returned to profit after a run of losses which prompted a reshape of its business. The biggest companies are developing integrated transport networks across air, land and sea.

Wassing, which is also in the warehousing business, has subsidiaries both in the UK and Tunisia.

Trygg-Hansa in Estonia deal

By Robert Taylor in Stockholm

TRYGG-HANSA, the Swedish insurance company, has reached a co-operation agreement with Eesti Kindlustuse, the Estonian national insurance company, with the main purpose of providing advisory services and insurance protection in convertible currency for joint venture investments in Estonia.

Trygg-Hansa said yesterday the agreement was "an important breakthrough in the development of the West's relations with the Baltic states."

The two companies hope to develop close relations in a range of activities. A feasibility study will be carried out with the aim of creating a new Estonian insurance company within the framework of the country's new economic independence programme.

The Swedish company made it clear to the Estonian authorities during their discussions on the agreement that Estonia needed a "well-developed business insurance sector, partly for the purpose of creating investment capital for industry through build-up funds."

Talks have also been held between the two sides on the development of a private insurance sector in Estonia.

Trygg-Hansa said yesterday this would mainly take the form of a transfer in knowledge. After the summer it is proposed to prepare the way for the launch of a sickness insurance system.

The company intends to present a preliminary report on this to the Foreign Trade Council in Estonia on November 1 with the intention of establishing a licence for such activity from January 1991.

This foray by Trygg-Hansa into the East follows a co-operation agreement the company signed with Ingostrakh, the Soviet insurance company, covering joint-venture insurance operations throughout the Soviet Union.

Aerolineas tender near collapse

By Gary Mead in Buenos Aires

ARGENTINA'S planned privatisation of Aerolineas Argentinas, the national airline, for which bids are due to be officially announced tomorrow, appeared on the brink of collapse yesterday with the news that another company – KLM, the Dutch airline – had withdrawn from the tender.

KLM's decision was followed by an announcement from Varig, the Brazilian airline with which KLM had formed a joint venture for the purposes of buying the 85 per cent of Aerolineas up for sale, that was also withdrawing.

KLM was the third company, following American Airlines and Alitalia, the Italian airline, to pull out of the tender in its final stages. A KLM management official said in Amsterdam the Aerolineas sale "was not interesting enough for us."

The sole interest left in Aerolineas comes from a group led by Iberia, the Spanish airline, which yesterday confirmed it would go ahead and present its bid on Friday.

Iberia is in partnership with Cielos del Sur, a local Argentine company which manages Austral, a domestic airline privatised in 1987. The Iberia group is backed by Crédit Suisse First Boston and the Argentine bank Banco Provincia de Buenos Aires.

Yesterday Argentina's President Carlos Menem expressed his irritation with the late withdrawals of American Airlines, Alitalia and KLM, saying their "failure to comply with promises has resulted in a very annoying situation."

He said Friday's examination of bids would go ahead and if the Iberia consortium met the conditions of sale, it would succeed in its bid; if not, a new tender would be staged. Argentina has stipulated a minimum of $220m in cash, with at least $1.5bn in debt-equity exchange.

Notice of Adjourned Meetings of the Holders of

Bond Finance International

(the "Issuer")

U.S. $200,000,000 5¾ per cent.

Guaranteed Subordinated Convertible Bonds due 1997

Unconditionally guaranteed on a subordinated basis by, with non-detachable subordinated conversion bonds issued by and with conversion rights into Ordinary Shares of,

Bond Corporation Holdings Limited

(the "Guarantor")

NOTICE IS HEREBY GIVEN that adjourned Meetings of the holders (the "Bondholders") of the above-mentioned Bonds (the "Bonds") and conversion bonds constituted by a Trust Deed dated 9th July, 1987 (the "Trust Deed") and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee") will be held at 2.00 pm (London time) (or, if later, immediately after the conclusion of the adjourned Meeting of the holders of the £103,850,000 8 per cent. Guaranteed Exchangeable Bonds due 1998 of Bond Finance (Exchangeables) Limited), in the case of the adjourned first Meeting referred to below and at 2.30 pm (London time) (or, if later, immediately after the conclusion of the adjourned first Meeting), in the case of the adjourned second Meeting referred to below, on 19th July, 1990 at 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW for the purpose of considering and, if thought fit, passing the following Extraordinary Resolutions which were the subject of a Notice of Meetings dated 6th June, 1990 published in this newspaper on that date and which gave notice of Meetings of Bondholders to be held on 28th June, 1990. At the first Meeting of Bondholders held on 28th June, 1990, a quorum was present but the Chairman of such Meeting, with the consent of the Meeting, adjourned such Meeting to the time and place mentioned above. At the second Meeting of Bondholders held on 28th June, 1990, a quorum was not present and the second Meeting stood adjourned to the time and place mentioned above, as designated by the Chairman of the second Meeting and approved by the Trustee:–

ADJOURNED FIRST MEETING
EXTRAORDINARY RESOLUTION

THAT this meeting of the holders of the U.S. $200,000,000 5¾ per cent. Guaranteed Subordinated Convertible Bonds due 1997 (the "Bonds") of Bond Finance International (the "Issuer"), unconditionally guaranteed on a subordinated basis by, with non-detachable subordinated conversion bonds (the "Conversion Bonds") issued by and with conversion rights into Ordinary Shares of, Bond Corporation Holdings Limited (the "Guarantor"), constituted by a Trust Deed (the "Trust Deed") dated 9th July, 1987 and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee"), hereby:–

(i) waives and authorises any breach or proposed breech by the Issuer or the Guarantor of the covenant by the Guarantor contained in Clause 11(C) (iii) of the Trust Deed that may arise as a result of the sale by the Guarantor of 50 per cent. of the issued ordinary share capital and all of the issued preference share capital of Bond Brewing Holdings Limited ("BBH") to Manchar Holdings Pty. Ltd., a wholly owned subsidiary of Bell Resources Limited, on the terms more particularly set out in the Information Memorandum dated 6th June, 1990 prepared by the Guarantor and produced to this Meeting (a copy of which has been initialled for identification by the Chairman of the Meeting) (or such terms as from time to time modified or amended (including by way of novation to a different purchaser of the agreement relating to such sale) provided that the Guarantor shall have procured that its auditors for the time being shall have certified to the Trustee in form and manner acceptable to the Trustee that any such modification or amendment or novation shall have no greater impact on the ability of BBH or any of its subsidiaries to make payments or otherwise to make amounts available to the Guarantor than the terms of the proposed sale more particularly described in the Information Memorandum and shall not include any material change in the purchase price of such sale);

(ii) sanctions every abrogation, modification, variation, compromise or arrangement in respect of the rights of the holders of the Bonds, the Conversion Bonds and the coupons relating to the Bonds against the Issuer or the Guarantor involved in or resulting from the breach or proposed breach referred to in paragraph (i) of this Resolution; and

(iii) authorises the Issuer, the Guarantor and the Trustee to concur in, execute or do any document, act or thing necessary to give effect to this Extraordinary Resolution and authorises the Trustee to provide any formal consent or approval necessary to enable the sale as referred to in (i) above to proceed.

ADJOURNED SECOND MEETING
EXTRAORDINARY RESOLUTION

THAT this meeting of the holders of the U.S. $200,000,000 5¾ per cent. Guaranteed Subordinated Convertible Bonds due 1997 (the "Bonds") of Bond Finance International (the "Issuer"), unconditionally guaranteed on a subordinated basis by, with non-detachable subordinated conversion bonds (the "Conversion Bonds") issued by and with conversion rights into Ordinary Shares of, Bond Corporation Holdings Limited (the "Guarantor"), constituted by a Trust Deed (the "Trust Deed") dated 9th July, 1987 and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee"), hereby:–

(i) approves, authorises and gives consent to the deferral of the interest due on the Bonds on 9th July, 1990 until 9th July, 1991, such interest then to be payable in full with the interest due on the Bonds on 9th July, 1991, on condition that there is issued to the Trustee on behalf of the Bondholders by the Issuer an unsecured unsubordinated promissory note in respect of the full amount of the interest due on the Bonds on 9th July, 1990, such note to be guaranteed by the Guarantor and payable on 9th July, 1991 in the event that such interest is not paid on that date by the Issuer and to be issued on such other terms described in the Information Memorandum dated 6th June, 1990 prepared by the Guarantor and produced to this Meeting (a copy of which has been initialled for identification by the Chairman of the Meeting);

(ii) waives any breach by the Issuer or the Guarantor as a result of such deferral of interest of the provisions of the Trust Deed or the Bonds or the coupons attached thereto or the Conversion Bonds and confirms that such deferral of interest shall not constitute an event of default under the provisions of condition 13 of the terms and conditions of the Bonds or any other condition or under the Trust Deed and sanctions every abrogation, modification, variation, compromise or arrangement in respect of the rights of the holders of the Bonds, the Conversion Bonds and the coupons relating to the Bonds against the Issuer or the Guarantor involved in or resulting from the deferral referred to in this Resolution; and

(iii) authorises the Issuer, the Guarantor and the Trustee to concur in, execute or do any document, act or thing necessary to give effect to this Extraordinary Resolution.

Copies of the information memorandum (the "Information Memorandum") referred to in the Extraordinary Resolutions set out above and which sets out details of the background to, and reasons for, the proposed arrangements and the Extraordinary Resolutions are available for collection by Bondholders at the specified offices of the Paying Agents for the Bonds set out below and will be available at the adjourned Meetings themselves. A Bondholder will be required to produce evidence satisfactory to the relevant Paying Agent as to his status as a Bondholder before being permitted to collect a copy of the Information Memorandum from the offices of that Paying Agent.

The attention of Bondholders is particularly drawn to the quorum required for each adjourned Meeting and for a further adjournment of the adjourned first Meeting in the event that a quorum is not present at the adjourned first Meeting which is set out in paragraph 2 of "Voting and Quorum" below.

In accordance with normal practice the Trustee expresses no opinion on the merits of the proposed arrangements.

The Issuer expects to convene another meeting of Bondholders to take place on or about 30th November, 1990 at which meeting the Guarantor would expect to be able to present to Bondholders reconstruction proposals for consideration by Bondholders as more particularly set out in the Information Memorandum.

VOTING AND QUORUM

1. A Bondholder wishing to attend and vote at either of the adjourned Meetings in person must produce at the relevant adjourned Meeting either his Bond(s), or, in the case of Bonds issued in bearer form ("Bearer Bonds"), a valid voting certificate or valid voting certificates issued by a Paying Agent relative to the Bearer Bond(s), in respect of which he wishes to vote.
A holder of Bearer Bonds not wishing to attend and vote at either of the adjourned Meetings in person may either deliver his Bearer Bond(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified office of any of the Paying Agents set out below) instructing a Paying Agent to appoint a proxy to attend and vote at the relevant adjourned Meeting in accordance with his instructions.
Bearer Bonds may be deposited until the time being 48 hours before the time fixed for holding the relevant adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) but not thereafter with any Paying Agent or (to the satisfaction of the Paying Agent) held to its order or under its control by the Operator of the Euroclear System or by CEDEL S.A. or any other person approved by it, for the purpose of obtaining voting certificates or appointing proxies in respect of the relevant adjourned Meeting. Bonds so deposited or held will not be released until the earlier of the conclusion of the relevant adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) and the surrender of the voting certificate(s) or, not less than 48 hours before the time for which the relevant adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) is convened, the voting instruction receipt(s) issued in respect thereof.
A holder of Bonds in registered form ("Registered Bonds") may by an instrument in writing in the English language signed by that Bondholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person as his or its proxy to act on his or its behalf in connection with either of the adjourned Meetings. The form of proxy must be delivered to the specified office of a Transfer Agent or the Registrar set out below not later than 48 hours before the time fixed for the relevant adjourned Meeting. Any holder of a Registered Bond which is a corporation may by resolution of its directors or other governing body in the English language authorise any person to act as its representative in connection with either of the adjourned Meetings.
Any voting certificate(s) issued, any voting instruction(s) given and any appointment(s) of a proxy made pursuant thereto and any appointment(s) of a proxy or representative in respect of Registered Bonds for the Meetings of Bondholders convened for 28th June, 1990 will be valid for the adjourned Meetings unless, in the case of voting certificates, surrendered before, or in the case of voting instructions, revoked or amended not less than 48 hours before, or in the case of appointment of proxies in respect of Registered Bonds revoked or amended not less than 24 hours before, the respective times for which the adjourned Meetings are convened. Any holder of a Bearer Bond who, for the purpose of obtaining a voting instruction form or voting certificate, deposited his Bond as referred to above later than 48 hours before the time appointed for holding the first and second Meetings convened for 28th June, 1990 and who consequently was not issued with a voting instruction form or voting certificate will, provided such Bond has not been released, be issued with a voting instruction form or, as the case may be, voting certificate for use in connection with the adjourned Meetings.
2. The quorum required at the adjourned first Meeting for passing the first Extraordinary Resolution (the "First Resolution") set out above is two or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate a clear majority in principal amount of the Bonds for the time being outstanding. If within 15 minutes from the time appointed for the adjourned first Meeting a quorum for the passing of the First Resolution is not present at the adjourned first Meeting, the adjourned first Meeting will stand adjourned (for such period, not being less than 14 days nor more than 42 days, and to such time and place, as may be appointed by the Chairman of the adjourned first Meeting and approved by the Trustee) and the First Resolution will be considered at that further adjourned Meeting (notice of which will be given to the Bondholders). The quorum required to consider the First Resolution at a further adjourned Meeting will be two or more persons present holding Bonds or voting certificates or being proxies or representatives (whatever the principal amount of the Bonds so held or represented by them). The quorum required to consider the second Extraordinary Resolution set out above at the adjourned second Meeting will be two or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the principal amount of the Bonds for the time being outstanding.
3. Every question submitted to either adjourned Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the relevant adjourned Meeting or the Issuer or by two or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth part of the principal amount of the Bonds then outstanding. On a show of hands every person who is present in person and produces a Bond or voting certificate or is a proxy or representative shall have one vote. On a poll every person who is so present shall have one vote in respect of each U.S. $1,000 in principal amount of the Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative.
4. To be passed, each of the Extraordinary Resolutions requires a majority in favour consisting of not less than three-fourths of the votes cast thereon. If passed, each of the Extraordinary Resolutions will be binding upon all the Bondholders, whether or not present at the relevant adjourned Meeting and whether or not voting, and upon all the holders of coupons relating to the Bonds.

AVAILABILITY OF DOCUMENTS

Copies of the Trust Deed may be inspected, and copies of the Information Memorandum, voting certificates and other documents referred to above may be obtained, by Bondholders from the specified office of any of the Paying Agents given below.

PRINCIPAL PAYING AGENT
Bankers Trust Company, 1 Appold Street, Broadgate, London EC2A 2HE

PAYING AGENTS AND TRANSFER AGENTS
Swiss Bank Corporation, 1 Aeschenvorstadt, CH-4002 Basle
Banque Indosuez Luxembourg, 39 Allee Scheffer, L 200 Luxembourg

REGISTRAR AND TRANSFER AGENT
Bankers Trust Company, Four Albany Street, New York, N.Y. 10015

Dated 5th July, 1990 Bond Finance International

This Notice has been approved by an authorised person for the purposes of the Financial Services Act 1986.

THIS NOTICE IS IMPORTANT. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

Notice of Adjourned Meetings of the Holders of

Bond Finance International

(the "Issuer")

£80,000,000 6 per cent.

Guaranteed Subordinated Convertible Bonds due 1997

Unconditionally guaranteed on a subordinated basis by, with non-detachable subordinated conversion bonds issued by and with conversion rights into Ordinary Shares of,

Bond Corporation Holdings Limited

(the "Guarantor")

NOTICE IS HEREBY GIVEN that adjourned Meetings of the holders (the "Bondholders") of the above-mentioned Bonds (the "Bonds") and conversion bonds constituted by a Trust Deed dated 9th July, 1987 (the "Trust Deed") and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee") will be held at 3.00 pm (London time) (or, if later, immediately after the conclusion of the adjourned second Meeting of the holders of the U.S. $200,000,000 Guaranteed Subordinated Convertible Bonds due 1997 of the Issuer), in the case of the adjourned first Meeting referred to below and at 3.30 pm (London time) (or, if later, immediately after the conclusion of the adjourned first Meeting), in the case of the adjourned second Meeting referred to below, on 19th July, 1990 at 1 Northumberland Avenue, Trafalgar Square, London WC2N 5BW for the purpose of considering and, if thought fit, passing the following Extraordinary Resolutions which were the subject of a Notice of Meetings dated 6th June, 1990 published in this newspaper on that date and which gave notice of Meetings of Bondholders to be held on 28th June, 1990. At the first Meeting of Bondholders held on 28th June, 1990, a quorum was present but the Chairman of such Meeting, with the consent of the Meeting, adjourned such Meeting to the time and place mentioned above. At the second Meeting of Bondholders held on 28th June, 1990, a quorum was not present and the second Meeting stood adjourned to the time and place mentioned above, as designated by the Chairman of the second Meeting and approved by the Trustee:–

ADJOURNED FIRST MEETING
EXTRAORDINARY RESOLUTION

THAT this meeting of the holders of the £80,000,000 6 per cent. Guaranteed Subordinated Convertible Bonds due 1997 (the "Bonds") of Bond Finance International (the "Issuer"), unconditionally guaranteed on a subordinated basis by, with non-detachable subordinated conversion bonds (the "Conversion Bonds") issued by and with conversion rights into Ordinary Shares of, Bond Corporation Holdings Limited (the "Guarantor"), constituted by a Trust Deed (the "Trust Deed") dated 9th July, 1987 and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee"), hereby:–

(i) waives and authorises any breach or proposed breach by the Issuer or the Guarantor of the covenant by the Guarantor contained in Clause 11(C) (iii) of the Trust Deed that may arise as a result of the sale by the Guarantor of 50 per cent. of the issued ordinary share capital and all of the issued preference share capital of Bond Brewing Holdings Limited ("BBH") to Manchar Holdings Pty. Ltd., a wholly owned subsidiary of Bell Resources Limited, on the terms more particularly set out in the Information Memorandum dated 6th June, 1990 prepared by the Guarantor and produced to this Meeting (a copy of which has been initialled for identification by the Chairman of the Meeting) (or such terms as from time to time modified or amended (including by way of novation to a different purchaser of the agreement relating to such sale) provided that the Guarantor shall have procured that its auditors for the time being shall have certified to the Trustee in form and manner acceptable to the Trustee that any such modification or amendment or novation shall have no greater impact on the ability of BBH or any of its subsidiaries to make payments or otherwise to make amounts available to the Guarantor than the terms of the proposed sale more particularly described in the Information Memorandum and shall not include any material change in the purchase price of such sale);

(ii) sanctions every abrogation, modification, variation, compromise or arrangement in respect of the rights of the holders of the Bonds, the Conversion Bonds and the coupons relating to the Bonds against the Issuer or the Guarantor involved in or resulting from the breach or proposed breach referred to in paragraph (i) of this Resolution; and

(iii) authorises the Issuer, the Guarantor and the Trustee to concur in, execute or do any document, act or thing necessary to give effect to this Extraordinary Resolution and authorises the Trustee to provide any formal consent or approval necessary to enable the sale as referred to in (i) above to proceed.

ADJOURNED SECOND MEETING
EXTRAORDINARY RESOLUTION

THAT this meeting of the holders of the £80,000,000 6 per cent. Guaranteed Subordinated Convertible Bonds due 1997 (the "Bonds") of Bond Finance International (the "Issuer"), unconditionally guaranteed on a subordinated basis by, with non-detachable subordinated conversion bonds (the "Conversion Bonds") issued by and with conversion rights into Ordinary Shares of, Bond Corporation Holdings Limited (the "Guarantor"), constituted by a Trust Deed (the "Trust Deed") dated 9th July, 1987 and made between the Issuer, the Guarantor and Bankers Trustee Company Limited (the "Trustee"), hereby:–

(i) approves, authorises and gives consent to the deferral of the interest due on the Bonds on 9th July, 1990 until 9th July, 1991, such interest then to be payable in full with the interest due on the Bonds on 9th July, 1991, on condition that there is issued to the Trustee on behalf of the Bondholders by the Issuer an unsecured unsubordinated promissory note in respect of the full amount of the interest due on the Bonds on 9th July, 1990, such note to be guaranteed by the Guarantor and payable on 9th July, 1991 in the event that such interest is not paid on that date by the Issuer and to be issued on such other terms described in the Information Memorandum dated 6th June, 1990 prepared by the Guarantor and produced to this Meeting (a copy of which has been initialled for identification by the Chairman of the Meeting);

(ii) waives any breach by the Issuer or the Guarantor as a result of such deferral of interest of the provisions of the Trust Deed or the Bonds or the coupons attached thereto or the Conversion Bonds and confirms that such deferral of interest shall not constitute an event of default under the provisions of condition 13 of the terms and conditions of the Bonds or any other condition or under the Trust Deed and sanctions every abrogation, modification, variation, compromise or arrangement in respect of the rights of the holders of the Bonds, the Conversion Bonds and the coupons relating to the Bonds against the Issuer or the Guarantor involved in or resulting from the deferral referred to in this Resolution; and

(iii) authorises the Issuer, the Guarantor and the Trustee to concur in, execute or do any document, act or thing necessary to give effect to this Extraordinary Resolution.

Copies of the information memorandum (the "Information Memorandum") referred to in the Extraordinary Resolutions set out above and which sets out details of the background to, and reasons for, the proposed arrangements and the Extraordinary Resolutions are available for collection by Bondholders at the specified offices of the Paying Agents for the Bonds set out below and will be available at the adjourned Meetings themselves. A Bondholder will be required to produce evidence satisfactory to the relevant Paying Agent as to his status as a Bondholder before being permitted to collect a copy of the Information Memorandum from the offices of that Paying Agent.

The attention of Bondholders is particularly drawn to the quorum required for each adjourned Meeting and for a further adjournment of the adjourned first Meeting in the event that a quorum is not present at the adjourned first Meeting which is set out in paragraph 2 of "Voting and Quorum" below.

In accordance with normal practice the Trustee expresses no opinion on the merits of the proposed arrangements.

The Issuer expects to convene another meeting of Bondholders to take place on or about 30th November, 1990 at which meeting the Guarantor would expect to be able to present to Bondholders reconstruction proposals for consideration by Bondholders as more particularly set out in the Information Memorandum.

VOTING AND QUORUM

1. A Bondholder wishing to attend and vote at either of the adjourned Meetings in person must produce at the relevant adjourned Meeting either his Bond(s), or, in the case of Bonds issued in bearer form ("Bearer Bonds"), a valid voting certificate or valid voting certificates issued by a Paying Agent relative to the Bearer Bond(s), in respect of which he wishes to vote.
A holder of Bearer Bonds not wishing to attend and vote at either of the adjourned Meetings in person may either deliver his Bearer Bond(s) or voting certificate(s) to the person whom he wishes to attend on his behalf or give a voting instruction (on a voting instruction form obtainable from the specified office of any of the Paying Agents set out below) instructing a Paying Agent to appoint a proxy to attend and vote at the relevant adjourned Meeting in accordance with his instructions.
Bearer Bonds may be deposited until the time being 48 hours before the time fixed for holding the relevant adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) but not thereafter with any Paying Agent or (to the satisfaction of the Paying Agent) held to its order or under its control by the Operator of the Euroclear System or by CEDEL S.A. or any other person approved by it, for the purpose of obtaining voting certificates or appointing proxies in respect of the relevant adjourned Meeting. Bonds so deposited or held will not be released until the earlier of the conclusion of the relevant adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) and the surrender of the voting certificate(s) or, not less than 48 hours before the time for which the relevant adjourned Meeting (or, if applicable, any further adjournment of such adjourned Meeting) is convened, the voting instruction receipt(s) issued in respect thereof.
A holder of Bonds in registered form ("Registered Bonds") may by an instrument in writing in the English language signed by that Bondholder or, in the case of a corporation, executed under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation, appoint any person as his or its proxy to act on his or its behalf in connection with either of the adjourned Meetings. The form of proxy must be delivered to the specified office of a Transfer Agent or the Registrar set out below not later than 48 hours before the time fixed for the relevant adjourned Meeting. Any holder of a Registered Bond which is a corporation may by resolution of its directors or other governing body in the English language authorise any person to act as its representative in connection with either of the adjourned Meetings.
Any voting certificate(s) issued, any voting instruction(s) given and any appointment(s) of a proxy made pursuant thereto and any appointment(s) of a proxy or representative in respect of Registered Bonds for the Meetings of Bondholders convened for 28th June, 1990 will be valid for the adjourned Meetings unless, in the case of voting certificates, surrendered before, or in the case of voting instructions, revoked or amended not less than 48 hours before, or in the case of appointment of proxies in respect of Registered Bonds revoked or amended not less than 24 hours before, the respective times for which the adjourned Meetings are convened. Any holder of a Bearer Bond who, for the purpose of obtaining a voting instruction form or voting certificate, deposited his Bond as referred to above later than 48 hours before the time appointed for holding the first and second Meetings convened for 28th June, 1990 and who consequently was not issued with a voting instruction form or voting certificate will, provided such Bond has not been released, be issued with a voting instruction form or, as the case may be, voting certificate for use in connection with the adjourned Meetings.
2. The quorum required at the adjourned first Meeting for passing the first Extraordinary Resolution (the "First Resolution") set out above is two or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate a clear majority in principal amount of the Bonds for the time being outstanding. If within 15 minutes from the time appointed for the adjourned first Meeting a quorum for the passing of the First Resolution is not present at the adjourned first Meeting, the adjourned first Meeting will stand adjourned (for such period, not being less than 14 days nor more than 42 days, and to such time and place, as may be appointed by the Chairman of the adjourned first Meeting and approved by the Trustee) and the First Resolution will be considered at that further adjourned Meeting (notice of which will be given to the Bondholders). The quorum required to consider the First Resolution at a further adjourned Meeting will be two or more persons present holding Bonds or voting certificates or being proxies or representatives (whatever the principal amount of the Bonds so held or represented by them). The quorum required to consider the second Extraordinary Resolution set out above at the adjourned second Meeting will be two or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-third of the principal amount of the Bonds for the time being outstanding.
3. Every question submitted to either adjourned Meeting will be decided on a show of hands unless a poll is duly demanded by the Chairman of the relevant adjourned Meeting or the Issuer or by two or more persons present holding Bonds or voting certificates or being proxies or representatives and holding or representing in the aggregate not less than one-fiftieth part of the principal amount of the Bonds then outstanding. On a show of hands every person who is present in person and produces a Bond or voting certificate or is a proxy or representative shall have one vote. On a poll every person who is so present shall have one vote in respect of each £1,000 in principal amount of the Bonds so produced or represented by the voting certificate so produced or in respect of which he is a proxy or representative.
4. To be passed, each of the Extraordinary Resolutions requires a majority in favour consisting of not less than three-fourths of the votes cast thereon. If passed, each of the Extraordinary Resolutions will be binding upon all the Bondholders, whether or not present at the relevant adjourned Meeting and whether or not voting, and upon all the holders of coupons relating to the Bonds.

AVAILABILITY OF DOCUMENTS

Copies of the Trust Deed may be inspected, and copies of the Information Memorandum, voting certificates and other documents referred to above may be obtained, by Bondholders from the specified office of any of the Paying Agents given below.

PRINCIPAL PAYING AGENT
Bankers Trust Company, 1 Appold Street, Broadgate, London EC2A 2HE

PAYING AGENTS AND TRANSFER AGENTS
Swiss Bank Corporation, 1 Aeschenvorstadt, CH-4002 Basle
Banque Indosuez Luxembourg, 39 Allee Scheffer, L 200 Luxembourg

REGISTRAR AND TRANSFER AGENT
Bankers Trust Company, Four Albany Street, New York, N.Y. 10015

Dated 5th July, 1990 Bond Finance International

This Notice has been approved by an authorised person for the purposes of the Financial Services Act 1986.

THIS NOTICE IS IMPORTANT. IF BONDHOLDERS ARE IN ANY DOUBT AS TO THE ACTION THEY SHOULD TAKE THEY SHOULD CONSULT THEIR STOCKBROKER, LAWYER, ACCOUNTANT OR OTHER PROFESSIONAL ADVISER WITHOUT DELAY.

INTERNATIONAL CAPITAL MARKETS

First German unity issue tightly priced but sells well

By Deborah Hargreaves and Tracy Corrigan

BOND investors' eyes were on the German Bund market yesterday, where the Government launched its first unity bond at a slightly tighter price than traders had expected. The DM6bn issue came at a yield in line with 10-year Bunds since it was priced at 101 carrying a coupon of 8¾ per cent, offering a real yield of 8.59 per cent.

Traders' reaction was that the issue was expensive, but it held at its launch level and was selling well. Domestic investors are enthusiastic buyers of the unity bonds largely for patriotic reasons.

The unity bonds were expected to trade at a premium of 10 to 15 basis points over the 10-year Bund, but they now look increasingly likely to trade in line with Bunds. The premium was expected to compensate for them not being deliverable into the futures contract. But now that the Deutsche Terminbörse has announced they will be included against its contracts, the London International Financial Futures Exchange is expected to amend its March 1991 contract to include unity bonds.

The rush of economic figures that were released in Germany yesterday had little effect on the market.

■ FRENCH government bonds ended slightly lower yesterday in light dealing, and traders say the market may ease more ahead of today's FFr7bn to FFr9bn Treasury auction of three fixed-rate bonds.

The German bond market is likely to carry on hogging the limelight. But expectations that the government bond yield spread between France and Germany is to narrow from the current level of 100 basis points could prompt some buying in the French market. But the D-Mark is thought likely to gain ground against the franc, dealers said.

■ JAPANESE government bonds continued their recent rally yesterday when the yield on the benchmark 119 dropped to 7.16 per cent. Traders expect the bond market to continue to be strong on the back of the firmer yen.

Now that rumours of an increase in the Japanese discount rate have dissipated, there is little in the way of a bond market rally, although traders feel it could be some time before the market breaches the 7 per cent yield level which has proved a key figure in previous upward movements.

■ IT was a thin day for gilt-edged securities yesterday. Prices experienced a slight bounce after Tuesday's slide. The market closed ¼ of a point stronger than on Tuesday, but there was little retail interest.

■ YIELDS on Australian government bonds have dropped slightly in the past few days, but the market continues to be supported by foreign investors locking into a high-yielding sector.

Australian 10-year bonds are currently yielding 13.35 per cent after falling from 13.53 per cent at the end of June. Japanese investors have been strong buyers of Australian bonds in recent weeks, although they are unlikely to push yields below 13¼ per cent unless the Australian Government reduces its high interest rates.

GOVERNMENT BONDS

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		10.000	4/93	94-17	+04/32	12.37	12.45	12.48
		10.500	5/99	92-29	+01/32	11.81	11.66	11.95
		9.000	10/08	84-28	+04/32	10.92	10.79	10.99
US TREASURY		8.875	05/00	103-08	+03/32	8.38	8.53	8.43
		8.750	05/20	103-31	+02/32	8.38	8.51	8.42
JAPAN	No 119	4.800	6/99	87.0646	+0.381	7.17	7.18	6.90
	No 2	5.700	3/07	91.3999	+0.001	6.80	6.72	6.50
GERMANY		7.750	02/00	94.7500	+0.350	8.55	8.73	8.64
FRANCE	BTAN	9.000	02/95	96.5629	+0.036	9.93	10.00	9.98
	OAT	8.500	03/00	93.1800	-0.060	9.59	9.67	9.62
CANADA		9.750	05/00	94.5000	+0.500	10.66	10.70	10.63
NETHERLANDS		9.000	05/00	101.5500	+0.340	8.75	8.90	8.90
AUSTRALIA		12.000	7/99	93.0433	+0.343	13.35	13.53	13.47

London closing
Yields: Local market standard
Prices: US, UK in 32nds., others in decimal
Technical Data/ATLAS Price Sources

LDC investment 'attractive'

MANY financial investments in developing countries are providing a yield or return that is highly attractive in relation to the objective risk, says Chartered WestLB, Reuter reports.

In the first issue of its Developing Country Investment Review, CWB says a proliferation of investment opportunities producing high returns have emerged that reflect uncertainties which have to be assessed country by country.

CWB says that uncertainties contained in developing country investment include the experience of the 1980s debt crisis and the underlying possibility that this is not fully resolved.

Also, the novelty of some of the instruments involved means they lack a track record. The review adds that there are general concerns about the depth, sophistication and price stability of many of the markets.

The bank points out that from the second half of the 1980s, financial liberalisation, structural reform and debt renegotiation have opened markets and created a wide array of instruments.

CWB says that interest in the instruments extends to equities, Eurobonds, restructured loans, securitised debt and domestic currency paper.

FT/AIBD INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Closing prices on July 4

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
ABBEY NATIONAL 8 7/8 93	150	99⅛	99¾		9.22
ALBERTA PROVINCE 9 3/8 95	600	101⅛	101⅜	+⅛	9.08
AMERICAN GENERAL 9 3/4 95	100	98	99⅝		10.28
AUSTRALIA 11 1/4 00	100	108⅛	109⅛	+⅛	9.92
AUSTRIA 8 1/2 00	400	95⅜	96⅛	+⅛	9.17
BANK OF TOKYO 8 3/8 96	100	95⅝	96⅛		9.38
BELGIUM 9 1/8 92	400	100⅛	100⅝	+⅛	8.83
[illegible]					

OTHER STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
COUNCIL EUROPE 7 94 LFr	600	92	93		9.69
KREDIETCORP 7 93 LFr	1000	92⅛	93⅛	−⅛	9.82
WORLD BANK 8 96 LFr	1000	93	94		9.62
AMRO BANK 6 1/4 92 Fl	150	94	94⅜		9.50
DENMARK 8 1/2 91 Fl	100	99	99⅜		9.70
HEINEKEN 7 5/8 94 Fl	150	94⅛	95½		9.26
PHILIPS GLOEILAMPEN 5 3/4 92 Fl	150	94	94⅝		9.72
[illegible]					

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
[illegible]					

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
[illegible]					

YEN STRAIGHTS	Issued	Bid	Offer	Chg. day	Yield
[illegible]					

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
[illegible]					

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Prem.
[illegible]					

[illegible]

© The Financial Times Ltd., 1990. Reproduction in whole or in part in any form not permitted without written consent. Data supplied by Association of International Bond Dealers.

ISE stays quiet on Goldman and BZW

By Richard Waters

COMPLAINTS of market manipulation on a grand scale continued to swirl around the London stock market yesterday as the International Stock Exchange failed to publish its expected statement exonerating two large securities houses over their actions during a hectic period of trading on Friday.

Goldman Sachs had bid up share prices, and Barclays de Zoete Wedd pushed them lower, as the FT-SE-100 index was being calculated to set the closing contract price for derivatives based on the index. This led to claims that the houses were trying to influence the FT-SE to benefit their derivatives books.

An interim ISE investigation has shown that a large volume of deals took place at the prices the two firms were quoting, suggesting that they had not been set merely to affect the index. However, other officials have suggested that the houses may have been prepared to take losses on share deals to make far larger profits on derivatives.

The ISE did not publish its interim findings, as expected, but is likely to make a statement after a full review of the implications of Friday's market volatility.

NEWS IN BRIEF

Orkla issue resurrected

ORKLA Borregaard, the Norwegian industrial and investment group, has revamped an international share issue first mooted for April but postponed as a result of stock-market weakness, writes Our Financial Staff.

The company is offering 2.3m non-voting B shares at NKr230 each to raise NKr530m ($90m). The issue is being made through an international banking syndicate led by Kleinwort Benson.

The subscription period lasts until the end of this week. The international issue that Orkla postponed in April was to have consisted of 2.5m B shares.

Banks link over Canadian unit

NATIONAL Trustco and Mellon Bank are to form a joint-venture company to provide securities transfer services to Canadian corporate clients, Reuter reports.

Mellon estimates that it has a 20 per cent share of the US securities transfer market. National Trustco did not estimate its market share, but said it had more than 1,000 corporate clients.

National Trustco will initially form a Canadian subsidiary and Mellon Bank will provide securities transfer and indenture processing to the subsidiary under a private label processing agreement.

After obtaining regulatory approvals, National Trust and Mellon Bank will form a Canadian company to provide securities transfer services.

S&P puts Philips N America on watch

STANDARD & Poor's, the US credit-rating agency, has placed on Creditwatch the Single-A senior debt and A-1 commercial paper ratings of North American Philips following the announcement by the Dutch Philips group that it would take a charge of about $1.4bn in the second half of fiscal 1990, Reuter reports.

"While the magnitude of the charge is expected to have positive effects going forward on cost position and competitiveness, it heightens nearer-term uncertainties surrounding the extent of operating problems at Philips and its US subsidiary, as well as the sufficiency of the measure," S&P said.

S&P will meet management of Philips to determine the impact on ratings.

VEV seeks FFr354m in two-part offer

VITRO-Etablissements Vitoux (VEV) plans a two-part issue of common stock and convertible bonds aimed at raising FFr354m ($64m) to help fund growth objectives, Reuter reports from Paris.

The French textile group said that the biggest part of the issue would cover FFr210m worth of convertible bonds with a coupon of 7.25 per cent and a maturity of nine years, five months. Each bond will be priced at FFr480 and will be convertible into one share of VEV.

The other part of the fund raising covers 435,520 new common shares at a price of FFr330 each. Shareholders will have subscription rights on a one-for-six basis.

INTERNATIONAL CAPITAL MARKETS

Unilever taps the Swiss market at less than 7%

By Tracy Corrigan

UNILEVER, the Anglo-Dutch household products company, became the first international borrower in the Swiss market this year to issue bonds on a coupon of less than 7 per cent.

The coupon for Unilever Capital's SFr100m issue of seven-year bonds via Union Bank of Switzerland was set at 6⅞ per cent, even lower than the 6⅞ per cent expected by other market participants.

Dealers in Switzerland complained that a ⅛ per cent drop in coupon was excessive. "Unilever is a good triple-A rated corporate name, but it doesn't merit that sort of premium pricing," one syndicate manager said. Although the lack of supply in the sector is supporting the market, consistently high short-term rates mean that many investors are still content to keep their money on deposit, while others are buying more attractively priced domestic bond issues.

The structure of the Unilever issue as a private placement was also said to have discouraged smaller retail investors.

The issue was swapped into floating-rate dollars at an attractive level below the London interbank offered rate. Swiss bankers complained that the tight pricing was encouraging other companies to stick to aggressive funding targets. The paucity of swap opportunities in most bond markets for the bulk of this year has persuaded some issuers to lower their funding targets of late.

The Unilever issue was bid outside its fees of 1⅝ point, at less 1⅞ point.

Also in the Swiss market, Top-Danmark, a Danish financial services company, brought a SFr80m private placement of 7⅝ per cent six-year notes via Swiss Volksbank, which also traded outside fees of 1½ points, at less 1⅝ bid.

However, some issues are still meeting a reasonable reception. SE Banken's SFr100m issue of 10-year notes launched Tuesday has performed well despite its subordinated status, dealers said.

With US markets closed for American Independence day, primary and secondary activity in the Eurobond market came to a virtual halt. Traders were more assiduous in quoting two-way prices in World Cup goals than in Eurobonds.

The only new issue launched yesterday was targeted at Japanese investors and will not be actively traded. The State Bank of South Australia's A$200m offering of 6 per cent 11-year bonds was issued at a deep discount to par, at a price of 61. The lead manager is Nomura International.

INTERNATIONAL BONDS

Swiss top in underwriting

SWITZERLAND's big three banks grab more underwritings when conditions in the capital markets get tough, Reuter reports from Zurich.

Union Bank of Switzerland, Swiss Bank Corporation and Crédit Suisse captured 80 per cent of lead management mandates for franc-denominated bonds in the second quarter of 1990, up from 62 per cent in the same period of 1989.

With short-term Swiss franc interest rates around 9 per cent and the average interest rates on new bonds around 7 per cent, any bank carrying unsold paper on its books has to make up the difference. That gives Switzerland's biggest three banks the advantage, as their retail networks give them placing power unmatched by foreign banks. The huge balance sheets the Swiss banks maintain at home also allows them to carry positions that smaller banks can't afford to carry.

"The first six months were a question of financial muscle and when it comes down to that, there is no way the smaller banks can compete with the big three," a banker said.

CGE will raise up to $200m via US placing

By George Graham in Paris

COMPAGNIE Générale d'Electricité (CGE), the private French telecommunications and heavy engineering group, is to sell between $150m and $200m of its stock to US investors in a private placing.

CGE will carry out a series of roadshows in US cities next week and fix the size and price of the placing, which is to be lead managed by Morgan Stanley, at around July 18.

The shares will be drawn from the group's "autocontrole," or stock held by its own subsidiaries. CGE's autocontrole is at the moment estimated at about 6 per cent of its capital, well within the legal limit of 10 per cent, and will be reduced further by the placing to about 4.5 per cent.

It will, however, have progressively to be reduced further following legislation last year prohibiting autocontrole.

CGE is taking advantage of the new Securities and Exchange Commission regulation 144a, which allows companies to place shares with qualified investors, who must be professionals managing more than $100m.

The shares will be traded in the US on the Portal professional trading system developed by Nasdaq.

The group, which last year more than doubled profits to FFr4.94bn ($890m), will add the proceeds of the placing to the FFr5.6bn it raised in April from an issue of convertible bonds.

CGE said then that it would keep the cash in reserve to enable it to take quick advantage of acquisition opportunities.

Recently, however, it has agreed to acquire 1.5 per cent of Alcatel, its telecommunications subsidiary, from the Crédit Lyonnais bank, and 7 per cent from ITT, its US partner, at a combined cost estimated at about $750m.

On the Paris stock market, CGE shares closed yesterday at FFr636, up FFr1 on the day.

Morgan Grenfell takes Third World gamble

Stephen Fidler looks at the UK merchant bank's move further into LDC debt trading

With most international banks doing their utmost to get out of Third World debt, at first sight it seems odd that the British merchant bank Morgan Grenfell should be making a big effort to move more deeply into the business.

But the bank has taken on most of the Third World debt trading team of Libra Bank, the London-based consortium lender to Latin America liquidated by its shareholders this year. And it is arranging to borrow from its new parent, Deutsche Bank, a Third World loan portfolio of several hundred million dollars to help the group to trade.

Taking on the Libra Bank team, led by Mr Rick Haller, is expected to expand the group's 320-strong banking division by up to 60 people – in London and in Latin America – by the time it is complete at the end of the year. Morgan is employing traders, back-office legal and settlement experts and secretaries.

At Libra, they formed one of the most active groups in the market, trading a face amount of debt equivalent to some $11.8bn last year. When Libra started to wind down this year, the market's trading volume perceptibly dropped.

In getting back into the Third World debt business, Morgan Grenfell has no interest in making new loans to Latin American governments. Its focus is on the growing number of uses to which that debt is being put. Many Third World countries are willing to exchange their foreign debt – at a discount – for local currency which can then be invested locally. This can occur in formal debt-equity swaps or more frequently in informal debt conversions. The technique has controversy, but in essence it involves the use of sovereign debt by multinationals, banks and domestic companies as a vehicle for investment in debtor countries.

Although Libra had one of the foremost debt trading teams, it had little corporate finance expertise. The money it made was usually out of broking and taking positions in the market. Morgan Grenfell had a small debt trading team of its own, now merged into the Libra team, but its strengths have been in corporate and project finance, in both Latin America and east Europe. The combination, Morgan Grenfell officials say, is an excellent fit, explaining their aggressive pursuit of a team in demand elsewhere in London.

Mr James Dundas, the Morgan Grenfell director who will be chairman of the new Morgan Grenfell Debt Arbitrage and Trading unit, says: "We have built up quite a degree of specialised strengths in debt conversions and related corporate finance activities, but so far we have had to do that without access to substantial trading."

Some from Libra have been there for more than a month. Mr Haller, who took over as the new unit's chief executive this week, says: "The essence of a successful LDC trading is having access to final demand, and a lot of that we hope will be provided by the corporate finance team."

The third element of the strategy is likely to be provided by Deutsche Bank in one of the first concrete examples of co-operation between the German bank and its new subsidiary. Deutsche is expected to lend part of its DM5.3bn ($3.22bn) Third World loan portfolio to Morgan Grenfell's trading team.

A deal has not yet been finalised, but Mr Dundas says "Deutsche has been extremely co-operative." None the less, he is at pains to point out that the banking giant is providing no subsidy to Morgan Grenfell. "This will be an arm's length arrangement."

Neither Morgan Grenfell nor Deutsche is keen to detail the arrangement. It is likely to be a kind of repurchase agreement involving Latin American and east European assets which will be assigned to Morgan Grenfell. Morgan will undertake to deliver back to Deutsche Bank after a three or six-month period a set of assets similar to that which was lent. The face value of the debt will be less than $1bn but more than $100m.

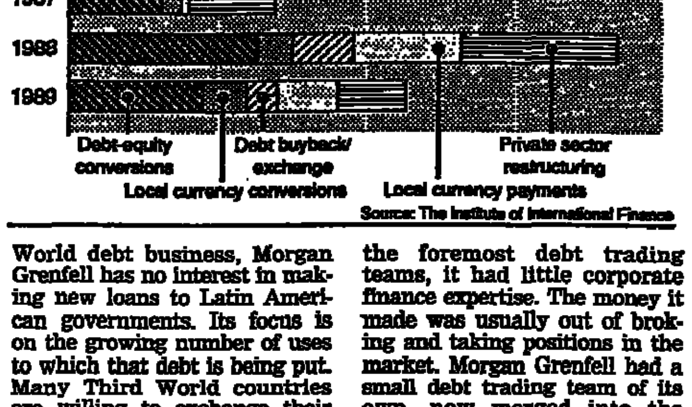
Mr Haller reckons that the loan portfolio is an important element of successful trading in a market which has become concentrated more in the hands of principals and away from those who are merely brokers.

But there is a contrast that some outsiders point out. Whereas at Libra, there was no cost associated with carrying the portfolio for the traders, Morgan Grenfell will be paying Deutsche for the privilege of using it.

Nevertheless, even as brokers, in the six weeks they have been at Morgan Grenfell the early arrivals from Libra have been involved in 145 to 150 deals and already generated some profit, Mr Haller says.

Outside, the progress of this combination will be looked on with interest. The officials dismiss suggestions that the different styles of Libra and Morgan Grenfell will not fit, but concede that the firm is taking a significant risk.

Bank debt conversions



Source: The Institute of International Finance

Danish mortgage groups struggle to expand

By Hilary Barnes in Copenhagen

THIS WAS to have been the year when Denmark's bond-issuing mortgage associations came of age, converting to joint stock companies and preparing for rapid diversification into wider financial services markets.

But for the two largest mortgage institutions, Kreditforening Danmark (KD) and Nykredit, both of which have assets well in excess of DKr300bn ($48bn), the year has not lived up to expectations.

The third largest mortgage group, Byggeriets Realkreditfond (BRF), is experiencing a smoother ride. Its conversion to joint stock company status has been completed and this autumn BRF is expected to make a sizeable share issue.

KD and Nykredit have run into trouble with the supervisory authorities. Their difficulties centre on how much of their reserves are free and thus available as equity capital when they become joint stock companies.

Conversion to joint stock status is thus being delayed – ironically at a time when the mortgage groups would welcome the opportunity to tap the capital markets for two reasons.

As the new European Community capital ratio directives come into force, Danish mortgage associations will have roughly to double the ratio of capital to assets from 4 per cent to 8 per cent. With this in mind, they built up substantial free reserves in the 1980s, but they were then hit by an abrupt change in the economic climate from 1986 onwards.

Property prices have fallen in real terms by between 20 per cent and 30 per cent since 1986. A dramatic reduction in the rate of inflation, including the rate at which nominal wages rise, and tougher basic terms for mortgage lending, have also stretched the ability of home owners to meet their mortgage payments. Mortgage associations hold some 6,000 properties, mainly houses, which they have been forced to reclaim.

The problem has become so pressing that the Government recently passed legislation to give home owners some relief, primarily by an opportunity to convert 20-year mortgages into 30-year. The associations have been forced to cut back on costs, notably by shedding staff.

Their latest move is a plan to increase the interest margin between money raised through bond issues and money lent to mortgagees. This will take place with retroactive effect on mortgages issued up to 20 years ago. The impact on individual householder's costs will not be great, but this is the first time that the associations have been forced to take such a step.

Thus there is no shortage of uncertainty within the industry. In the meantime, KD says that its reserve position is deteriorating so fast that within a year it may have to curtail its normal lending programme.

● Denmark will not consider a new cut in interest rates until it has studied the effects of German economic unification, the central bank said. The bank recently cut key interest rates by half a point, the third such reduction this year.

Schneider closes offer following heavy demand

By George Graham

SCHNEIDER, the French construction and electrical engineering group, has closed its offer of convertible bonds with attached warrants in the face of heavy demand from existing shareholders.

The issue, planned at FFr2.6bn, has been extended to FFr3bn to meet the requirements of shareholders using their priority subscription rights. The offer will not be opened to the public.

Each convertible bond with attached warrant was priced at FFr1,300. The bonds carry a coupon of 6.5 per cent.

Schneider said that both the FFr800m international tranche, led by Banque Paribas, and the domestic tranche had met success.

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

© The Financial Times Ltd 1990. Compiled by the Financial Times Ltd in conjunction with the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Wednesday July 4 1990: Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%)	Est. P/E Ratio (Net)	xd adj. 1990 to date	Tue Jul 3 Index No.	Mon Jul 2 Index No.	Fri Jun 29 Index No.	Year ago (approx) Index No.
1	CAPITAL GOODS (196)	884.90	-1.4	13.10	5.25	9.32	19.75	897.43	899.78	900.08	958.39
2	Building Materials (26)	1124.50	-1.5	13.62	5.35	9.07	27.29	1141.48	1154.15	1155.81	1187.92
3	Contracting, Construction (36)	1438.73	-1.3	16.79	5.71	7.75	34.92	1457.54	1477.32	1481.69	1615.15
4	Electricals (10)	2499.89	-0.6	11.49	5.33	10.71	61.43	2515.45	2531.44	2529.79	2827.30
5	Electronics (26)	1825.33	-1.5	10.34	4.41	12.59	26.12	1852.66	1817.05	1807.96	2179.63
6	Engineering-Aerospace (8)	469.63	-1.0	13.80	5.01	8.63	9.54	474.52	475.69	476.96	0.00
7	Engineering-General (46)	493.80	-0.6	11.90	5.17	10.17	10.10	496.90	498.48	498.02	0.00
8	Metals and Metal Forming (6)	490.56	-1.0	23.74	6.85	5.12	16.45	495.64	500.85	498.21	511.40
9	Motors (14)	369.92	-1.5	15.02	6.22	7.75	9.81	375.69	376.90	380.11	326.17
10	Other Industrial Materials (24)	1580.13	-1.9	11.10	5.09	10.39	36.58	1611.53	1619.67	1622.60	1647.38
21	CONSUMER GROUP (178)	1312.46	-0.5	9.32	3.85	13.24	20.52	1319.07	1320.45	1319.70	1237.92
22	Brewers and Distillers (22)	1616.21	-0.4	9.43	3.60	12.74	23.38	1623.32	1620.67	1623.19	1356.48
25	Food Manufacturing (20)	1114.08	-0.5	10.29	4.30	12.03	19.91	1119.26	1120.80	1125.73	1111.12
26	Food Retailing (16)	2545.42	-0.2	9.10	3.23	14.06	33.61	2551.37	2542.48	2543.54	2363.03
27	Health and Household (15)	2566.86	-1.2	6.70	2.70	17.75	25.10	2597.01	2600.94	2585.07	2241.74
29	Leisure (32)	1504.56	-0.7	9.70	4.10	12.55	24.42	1515.34	1518.68	1522.31	1665.36
31	Packaging & Paper (12)	606.76	-0.2	10.93	5.66	11.27	12.94	607.79	607.23	608.60	567.24
32	Publishing & Printing (16)	3583.78	-0.3	10.60	5.15	11.71	81.93	3593.35	3559.50	3542.56	3521.54
34	Stores (34)	805.00	+0.2	11.04	4.65	11.66	15.80	803.60	813.78	812.71	817.95
35	Textiles (11)	508.90	-0.5	12.10	7.07	10.43	18.26	511.55	504.64	504.88	541.34
40	OTHER GROUPS (106)	1198.87	-0.7	10.85	4.94	11.10	17.19	1207.23	1205.66	1206.69	1113.87
41	Agencies (17)	1727.33	-0.5	5.76	2.21	21.02	15.27	1735.87	1715.64	1712.36	1358.98
42	Chemicals (23)	1277.12	-0.8	11.04	5.19	10.59	31.39	1287.12	1291.06	1291.53	1275.84
43	Conglomerates (15)	1654.37	-0.9	10.38	6.02	11.54	31.95	1669.67	1690.22	1694.64	1659.31
44	Transport (13)	2287.80	-1.1	10.73	4.50	11.83	47.77	2312.52	2311.05	2326.27	2454.18
46	Telephone Networks (2)	1254.99	-1.0	10.69	4.49	12.17	3.78	1267.06	1241.96	1239.11	1053.49
47	Water (10)	1972.82	+0.8	16.26	6.86	6.88	0.00	1956.75	1958.83	1961.92	0.00
48	Miscellaneous (26)	1816.16	-0.4	12.02	4.93	9.49	37.62	1823.17	1841.31	1843.75	1662.96
49	INDUSTRIAL GROUP (488)	1182.43	-0.8	10.71	4.53	11.40	19.89	1191.68	1192.50	1192.62	1150.63
51	Oil & Gas (20)	2298.27	......	12.26	5.37	10.78	46.50	2297.91	2296.01	2303.07	2107.29
59	500 SHARE INDEX (500)	1276.36	-0.7	10.92	4.64	11.31	22.08	1284.96	1285.58	1286.22	1231.58
61	FINANCIAL GROUP (108)	800.97	-0.3	–	5.71	–	21.09	803.35	805.62	809.35	730.23
62	Banks (9)	830.01	-0.1	19.74	6.50	6.64	25.62	830.95	833.18	838.00	715.04
65	Insurance (Life) (7)	1476.46	-0.5	–	4.97	–	36.94	1483.59	1504.49	1519.19	1078.80
66	Insurance (Composite) (6)	701.18	-0.9	–	5.90	–	19.43	707.45	709.78	713.11	576.82
67	Insurance (Brokers) (8)	1008.38	-0.8	8.60	6.35	15.32	31.64	1016.66	1016.15	1020.62	954.27
68	Merchant Banks (7)	439.43	+0.1	–	4.61	–	10.76	438.87	437.86	437.86	330.90
69	Property (47)	1114.71	+0.1	7.90	4.23	16.20	19.54	1113.20	1107.72	1106.38	1304.56
70	Other Financial (24)	291.26	-0.6	10.60	6.71	12.25	7.47	293.02	294.99	296.94	359.50
71	Investment Trusts (67)	1215.91	-0.5	–	3.21	–	15.35	1222.50	1225.16	1220.43	1157.14
91	Overseas Traders (5)	1467.74	-0.8	9.60	6.23	12.45	44.49	1479.49	1456.62	1442.60	1329.33
99	ALL-SHARE INDEX (680)	1162.19	-0.6	–	4.76	–	21.57	1169.35	1170.25	1171.28	1109.36

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Jul 3	Jul 2	Jun 29	Jun 28	Jun 27	Year ago
FT-SE 100 SHARE INDEX♦	2355.5	-16.2	2366.8	2352.7	2371.7	2372.0	2374.6	2355.7	2373.5	2162.9

FIXED INTEREST

	PRICE INDICES	Wed Jul 4	Day's change %	Tue Jul 3	xd adj. today	xd adj. 1990 to date
	British Government					
1	Up to 5 years	115.71	-0.02	115.73	–	6.53
2	5-15 years	121.81	-0.05	121.87	–	6.91
3	Over 15 years	125.10	+0.01	125.08	–	6.15
4	Irredeemables	142.68	+0.05	142.61	–	7.35
5	All stocks	121.84	-0.03	121.88	–	6.79
	Index-Linked					
6	Up to 5 years	146.59	+0.02	146.56	–	1.49
7	Over 5 years	137.71	+0.07	137.62	–	2.03
8	All stocks	138.26	+0.06	138.17	–	1.99
9	Debentures & Loans	100.82	-0.16	100.99	–	6.11
10	Preference	74.75	+0.03	74.74	–	3.45

	AVERAGE GROSS REDEMPTION YIELDS		Wed Jul 4	Tue Jul 3	Year ago (approx.)
	British Government				
1	Low	5 years	10.74	10.73	9.98
2	Coupons	15 years	10.73	10.73	9.37
3		25 years	10.73	10.73	9.19
4	Medium	5 years	12.05	12.02	10.83
5	Coupons	15 years	11.26	11.26	9.86
6		25 years	10.91	10.92	9.42
7	High	5 years	12.15	12.11	10.95
8	Coupons	15 years	11.50	11.50	10.07
9		25 years	11.14	11.14	9.60
10	Irredeemables	†	10.75	10.75	9.22
	Index-Linked				
11	Inflation rate 5%	Up to 5yrs.	5.35	5.35	3.73
12	Inflation rate 5%	Over 5 yrs.	4.24	4.24	3.68
13	Inflation rate 10%	Up to 5 yrs.	4.28	4.27	2.97
14	Inflation rate 10%	Over 5 yrs.	4.06	4.06	3.51
15	Debs &	5 years	13.94	13.93	12.05
16	Loans	15 years	12.82	12.79	11.70
17		25 years	12.50	12.47	11.35
18	Preference	†	12.33	12.33	10.32

♦Opening index 2366.8; 9 am 2364.3; 10 am 2357.4; 11 am 2353.4; Noon 2355.8; 1 pm 2355.0; 2 pm 2353.8; 3 pm 2354.9; 4 pm 2355.3; 4.10 pm 2355.4; (a) 8.30am (b) 10.37am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A list of constituents is available from the Publishers, The Financial Times, Number One, Southwark Bridge, London SE1 9HL, price 15p, by post 35p. CONSTITUENT CHANGES: Euromoney Publications (32) has been deleted and replaced by T.T. Group (7).

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	19	41	39
Corporations, Dominion and Foreign Bonds	6	3	14
Industrials	218	423	932
Financial and Properties	96	203	438
Oils	18	30	40
Plantations	1	0	9
Mines	45	31	89
Others	42	78	118
Totals	445	809	1,679

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amt. Paid up	Latest Renunc. Date	1990 High	1990 Low	Stock	Closing Price	+or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
–	F.P.	–	131	110	ABI Leisure 10p	131		84.7	3.3	4.8	8.6
50	F.P.	–	49	47	EFM Java Trust	49		–	–	–	–
–	F.P.	–	26	18	Do. Warrants	26		–	–	–	–

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1990 High	1990 Low	Stock	Closing Price £	+ or -
101.73	F.P.	-	102¼	102¼	Anglian Water 5½pc Index-link Ln 2008	102¼	
100p	Nil	-	2pm	1pm	BICC Cap Fin 10.75pc Cv Cap Bds 2020	1¾pm	
100	F.P.	-	101	90	§Bluebird Toys 12pc Cv. Uns. Ln. 2005	95	
♦	F.P.	-	87p	83p	European Leisure 8.75p (Net) Cv Rd Pf	83p	
100p	F.P.	-	115p	96p	Hepworth Cap Fin. 11¼pc Cv. Bds 2005	114½p	+½
100p	25p	-	46½p	26p	Reckitt & Colman 9.5pc Cv Bds 2005	43½p	-2½
100p	F.P.	-	105p	95p	Wyndham Group 9.375pc Cnv.Pf	95p	-1
•	F.P.	-	55p	35p	York Trust 8.5p (Net) Rd.Cv.Pf 20p	48p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1990 High	1990 Low	Stock	Closing Price p	+ or -
390	Nil	-	117pm	113pm	Attwoods	117pm	
10	Nil	-	¼pm	¼pm	*Caldwell Inv. 10p	¼pm	
335	Nil	-	73pm	32pm	Cater Allen Hldgs. £1	32pm	-5
50	Nil	-	5pm	3pm	‡Expedier Leisure	3pm	
37	Nil	-	4pm	2pm	‡Northumbrian Fine Foods	2pm	
220	Nil	-	31pm	12pm	Ratners	15pm	-1

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. q Earnings based on preliminary figures. s Dividend and yield exclude special payment. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990-91. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1990. N Dividend and yield based on prospectus or other official estimates for 1989/90. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ψ Issued by tender. ¶ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. * Third Market. B Units comprising 11 new ord. & 2 warrants. ♦ Issued in connection with reorganisation, merger or takeover.

TRADITIONAL OPTIONS

● First Dealings July 2
● Last Dealings July 13
● Last Declarations Oct. 4
● For settlement Oct. 15

For rate indications see end of London Share Service

Calls in ASDA, Aviva Pet., Burton, Gaelic Res. and Next. Put in Speyhawk. Put and call Speyhawk.

LONDON TRADED OPTIONS

THE futures and options markets were unable yesterday to shake off the sluggish trading pattern of recent days. The primary cause of the lack of activity was the closure of the US market for a holiday.

However, the futures market began with a burst of activity as institutions sold a modest amount of September FT-SE 100 index contracts. September's lead over the cash market narrowed to around 60 points, which was close to fair value.

The futures market decline had little impact on the stock market. By lunchtime the index futures had drifted higher and then spent the rest of the day in a narrow range. September closed at 2,424, down 10 points on the day, having traded 2,063 lots, a decline in turnover of around 30 per cent from the previous session. The premium of the futures over the cash market closed barely changed at 69 points.

Activity in the options market was also depressed by the lack of business transacted on the stock market. The FT-SE index has been broadly steady over recent days, which has not encouraged investor interest in the FT-SE options. Instead, activity has been concentrated in a handful of stock options.

A total of 24,471 option contracts changed hands, slightly below the previous session. Yesterday's total was made up of 13,833 calls and 10,638 puts.

The FT-SE index options traded 4,578 contracts, up from 3,481. Yesterday's total was made up of 1,350 calls and 3,228 puts. The July 2,350 puts were the busiest series trading 832 contracts.

Among the stock options, STC was the most active, boosted by bullish in-the-money call buying. A total of 2,870 contracts traded, of which 2,840 were calls and 30 puts. The July 260 call series, at 707 lots, was the busiest.

Option		Calls Jul	Calls Oct	Calls Jan	Puts Jul	Puts Oct	Puts Jan
Alld Lyons (*498)	460	42	65	77	2	8	13
	500	12	37	50	11	22	27

Option		Calls Jul	Calls Oct	Calls Jan	Puts Jul	Puts Oct	Puts Jan
Utd. Biscuits (*357)	330	31	43	54	2	8	10
	360	9	22	36	9	18	20
Courtaulds (*354)	330	–	–	52	–	–	8
	357	7	–	–	8	–	–
	360	–	22	33	–	17	20
Com. Union (*508)	460	51	64	79	1½	9	13
	500	16	35	58	8	22	27
	550	3	17	29	46	54	54
GKN (*398)	390	17	29	44	7	18	21
	420	5	16	28	25	31	33
	460	1½	6	–	65	65	–
Grand Met. (*656)	600	59	77	100	2	10½	15
	650	17	42	67	12	27	34
	700	3	19	42	49	58	60
I.C.I. (*1145)	1100	58	87	129	5	27	33
	1150	22	58	99	20	50	57
	1200	5	34	73	57	80	85
Kingfisher (*342)	300	44	54	64	1	5	9
	330	16	31	40	4	11	16
	360	5	15	28	20	28	32
Ladbroke (*326)	300	30	44	51	2	5½	9
	330	7	24	33	9½	15	20
	360	2	11	20	36	36	39
Land Secur (*524)	460	70	85	95	1	4	6
	500	28	52	70	2	9	13
	550	3	22	39	30	35	37
M & S (*256)	200	39	47	51	1	2½	4
	220	20	30	36	2	4½	6½
	240	4½	15	23	9	11	14
STC (*263)	260	11	24	35	6	15	18
	280	4	14	26	20	26	28
	300	2	9	17	39	42	43
Sainsbury (*293)	260	36	46	54	1½	4	5
	280	17	29	39	3	7	10
	300	5	17	27	11	16	18
Shell Trans. (*454)	420	38	52	68	2½	7	9
	460	7	24	43	11	22	25
	500	2	10	23	48	48	50
Storehouse (*123)	110	15	21	24	1½	3½	5½
	120	6	14	18	3½	7	9
	130	2	8	13	11	13	15
Trafalgar (*302)	300	12	30	37	6	15	23
	330	2	15	25	32	35	42
	360	d1¼	7	–	62	62	–

UK COMPANY NEWS

Poor performance from leisure associate casts shadow over brewer

Greene King tops up to £20.1m

By Philip Rawstorne

GREENE KING, the East Anglian brewer, yesterday reported pre-tax profits of £20.14m, up 5 per cent and in line with market expectations, for the year ended April 29 1990.

But the strong trading performance was overshadowed by problems at Big R Leisure, its associate which operates roller skating rinks, night clubs and other leisure facilities.

Greene King has written off, as an extraordinary item, the £795,000 after-tax cost of its 35 per cent stake in the company.

Mr Simon Redman, chairman, said that Big R, which has debts of £22m, had been "suffering from relatively depressed trading."

Greene King's shares closed 10p down at 370p.

Trading profits from brewing and pub retailing increased by 20 per cent to £18.23m (£15.12m) on turnover of £109.16m (£103.59m).

Total beer sales increased by over 5,500 barrels; and the company, which is buying 87 more pubs in the south-east, has concluded trading arrangements with Bass and Allied-Lyons for the supply of its IPA and Abbot ale brands as guest beers. More than £1m is being spent on advertising the brands this year.

"We intend that Greene King should trade as a tightly focused, vertically integrated brewer, wholesaler and pub retailer throughout the south-east," Mr Redman said.

Continued sluggishness in the East Anglian property market reduced the profit contribution from property disposals from £3.24m last year to £2.56m.

Interest payments rose from £87,000 to £1.36m.

Earnings per share were up 4 per cent from 32.7p to 34.1p. A final dividend of 6.9p is proposed, increasing the total dividend by 13 per cent to 9.8p.

● COMMENT

After freeing itself from the shadow of the Elders' shareholding, Greene King is a bit unfortunate to find itself now with the overhanging problem of its investment in Big R Leisure. Big R's debts are guaranteed by Greene King but analysts are uncertain whether its charge on assets is enough to cover them. Until Big R's position improves, it is likely to be a drag on the brewer's share price. Greene King's core business, on the other hand, looks solidly based and its growth prospects good. It is expanding its pub estate shrewdly. Its ale brands should do well as guest beers in the tennanted houses of Bass, Allied and Whitbread. The conversion of its Biggleswade brewery to the production of Harp lager will contribute increased profits. When property prices improve, the company will also have a stock of pubs and development land to sell. Analysts are expecting 21 per cent growth in trading profits this year, with pre-tax profits up 7 per cent to about £21.5m, on a prospective p/e of 10.2.


Trevor Humphries

Simon Redman: More than £1m is being spent on advertising IPA and Abbot ale brands this year

Telegraph owner buys 10% Trinity stake

By Raymond Snoddy

MR CONRAD BLACK, the Canadian publisher of the Daily Telegraph, has built up his first stake in Britain's regional press – a 10 per cent holding in Trinity International, publisher of the Liverpool Daily Post and Echo.

Trinity, the Chester-based group which also has paper and packaging manufacturing interests, said yesterday that it had been informed by a director of Hollinger, Mr Black's main holding company, that the stake had been built up through nominee accounts.

The share buying began late last year and Trinity said an analysis of its share register showed that Mercury Asset Management Group had accumulated a stake of about 10 per cent in the company. The analysis also turned up further shares held through nominee accounts where the ultimate ownership was unknown.

Last year Hollinger built up a stake, now 9 per cent, in United Newspapers, publisher of the Daily and Sunday Express, in a similar way through nominees.

If Mr Black's ultimate aim is to take control of Trinity he has a very difficult task on his hands. Since 1904 when the company was first incorporated, control has rested with only 12 voting shares held by executive directors.

The share structure of the closed company was designed by the then owners of the Liberal newspaper group to fend off any unwanted attentions from predatory Tory press barons.

Trinity is just as keen to retain the company's independence today.

Mr Liam Corrigan, group development manager said he had "absolutely no idea" why Mr Black had bought the stake.

"He obviously knows our company through Canada and the UK. Perhaps he sees us as an undervalued share, which we are," Mr Corrigan said.

In May, Trinity bought a small Canadian paper, The Richmond Review, from Mr Black. Earlier this year the Chester company paid about £2m for two free and one paid-for local newspapers in the Vancouver area.

Its Canadian newspaper interests include a string of weeklies in British Columbia with a total weekly circulation of 800,000 and a daily in Red Deer, Alberta.

It was soon after the purchase of the Richmond Review that the Hollinger share purchase was disclosed. In all 5.6m shares are believed to have been bought by Hollinger at prices ranging from 170p to 200p.

Trinity, which has a small stake in British Satellite Broadcasting, is capitalised at about £100m and made pre-tax profits of £17.65m on turnover of £118.6m in the year to December.

By instinct and record Mr Black is the sort of businessman who likes to control things. The only way he could get influence over the 12 men with the voting shares would be to take such a large equity stake in the company that he could not be ignored.

Mr Black was not available for comment yesterday.

RUG moves a stage nearer to de-listing

By Andrew Hill

MR ANDREW LLOYD Webber is clearly not going to allow his turbulent private life to distract him from the smooth-running of his corporate affairs.

At a special shareholder meeting yesterday, Mr Lloyd Webber inched the curtain down a little further on the public performance of Really Useful Group, his quoted vehicle, despite the heckling of Mr Robert Holmes à Court, the Australian financier who owns 6.61 per cent of the company.

The composer has been trying to take RUG private through a £77.4m offer since February, but shortly after the buy-out was launched Mr Holmes à Court started buying RUG shares through Stoll Moss Theatres, a subsidiary of his private vehicle Heytesbury (UK).

At yesterday's poorly-attended meeting in London's Palace Theatre – an RUG asset – Stoll Moss objected to resolutions proposing payments to ex-directors of the company. Mr John Whitney, RUG's managing director, explained that Lord Gowrie, the former chairman, and four directors including the broadcaster and author Mr Melvyn Bragg, were being compensated for the extra time they spent valuing RUG before deciding to recommend the Lloyd Webber offer.

Once it became clear that Mr Lloyd Webber was absent, it was obvious that this would be one of the duller dramas to play at the Palace. The composer already controls over 90 per cent of the shares in RUG, which owns the copyright to his recent musicals, and all five resolutions were duly passed.

But Mr Geoffrey Davies, from Stoll Moss's solicitors Titmuss Sainer & Webb, took the opportunity to claim that the compensation payments – ranging from £10,000 to £30,000 – should have come out of the composer's pocket rather than the company coffers.

Mr Whitney said it was a company liability, and refused to comment on suggestions that the minority shareholders – including about 700 private investors – should be represented on RUG's board.

"This meeting is a farce, isn't it?" asked Mr Davies from the auditorium. "That's for you to judge," retorted Mr Whitney from the stage.

RUG's advisers are still puzzled about Mr Holmes à Court's intentions. "I'm sure he will protect his interests vigorously," said Mr Davies, but admitted that the Australian could not prevent Mr Lloyd Webber delisting the company's shares.

Daniel Thwaites static at £4.14m

Daniel Thwaites, the brewer, wine merchant and public house operator, shares of which trade under Stock Exchange Rule 535(2), turned in pre-tax profits of £4.14m in the year to end-March, little changed from last year's £4.31m.

The result was struck on turnover up from £51.98m to £58.77m and the tax charge was £1.46m (£1.47m).

The final dividend of 2.2p makes a total for the year of 2.6p (2.5p) on earnings per share reduced to 12.7p (13.5p).

It's all over bar the haggling for Globe investors

Now all the campaigning has abated, the key to the future of Globe Investment Trust now depends on one thing – the price, writes Nikki Tait

WILL they? Won't they? As the £1.11bn bid for Globe Investment Trust heads towards its final close on Monday the question of whether the British Coal pension funds secure control of their target is still unanswered.

The past few days have certainly been more helpful to the bidder. Trading volume in Globe shares, which last week averaged around 2.5m shares a day, has reached 1.6m, 3.1m and then 11m over the past three trading sessions.

Purchases made in yesterday's downbeat market can only be estimated, but the pension funds probably owned around 44 per cent of their target by the close.

To this should be added a small level of acceptances; 1.5 per cent was the last declared figure, although some shares may subsequently have passed through the market.

That said, the big shareholders – who include the Prudential, Pearl, Postel, Equitable Life and Save & Prosper – have generally stayed put so far. Moreover, the last two have indicated publicly that, in the absence of a sharp market fall or a change of control, they are unlikely to be sellers.

Globe, meanwhile, guesstimates that over 90 per cent of its 42,000 small shareholders remain loyal to date – although the bidder begs to disagree.

In short, as one participant puts it, "this battle is going all the way to the wire".

For the past two weeks, the underlying issue on which the outcome will be decided has been plain. Price is the key, and the vociferous campaigning – which embraced everything from issues of wider share ownership to the future of the investment trust industry – has abated. The arguments, therefore, are relatively straightforward, even if the sums are not.

Both sides are willing to start from Datastream's estimate of net asset value, which stood at around 215p a share yesterday afternoon. This adopts Globe's audited revaluation of its unquoted portfolio and allows for the recent uplift in the value of the Reedpack stake. It also assumes the write-off of Globe's British & Commonwealth holding. Both parties also add in 0.5p for the surplus on dealing investments and properties.

The bidder then deducts an estimated 1.4p for Globe bid costs, to give around 214.1p. That compares with an offer price of 205p, representing a discount of 4.2 per cent.

Globe, by contrast, adds back the 4p a share final dividend, which will not be paid out if British Coal wins. It also includes 8.1p a share for its fund management operations and 3.4p for the value to the trust of its debenture stock. The figure then tops the 230p-a-share mark, and the discount provided by the bid price is well over 10 per cent.

Analysts, and some institutions, seem to hover between the two sums. But even if allowance is only made for the dividend, part of the fund management companies' value, and the estimated bid costs, the net effect is a discount of 6-7 per cent.

That is on the mean side; investment trusts are usually taken out at discounts of 5 per cent or less. And this fact clearly sticks in some institutional investors' gullets. "It might be wrong in the short-term to stay put, but I wouldn't want a precedent set," comments one fund manager with extensive trust holdings, although only a small stake in Globe.

Among the larger institutions, the Pearl – another significant investor in the sector – concurs with this sort of thinking. It has yet to decide on Globe, but suggests that 5 per cent "isn't a bad ball-park" for an acceptable exit discount.

The painful reminder of TR Industrial & General adds grist to this mill. The £560m trust was secured by the pension funds on an 8 per cent discount in 1988 after institutional investors panicked, and may have encouraged the funds to think that Globe could be picked off at a similar price.

Moreover, the City knows that BCPF has used investment trusts as a cheap and performance-bolstering route into the equity market before; presumably, it may do so in the future.

Small shareholders – less interested in setting guidelines for predatory action in the sector – may view the matter slightly differently. What they need to weigh up are the various scenarios should the Coal funds fall tantalisingly short of control.

The possible upside is that the Coal funds come back in a year with more attractive terms, or that some form of reconstruction/change in investment policy is worked out.

These are matters on which neither side will comment, although BCPF does argue that, had a reconstruction been attractive, Globe would probably have played this card already.

The downside is the "creeping control" scenario – whereby BCPF adds 2 per cent to its stake each year, and gains control without a new bid. That, however, is dismissed as unlikely by Globe, and some analysts, at least, concur.

Such behaviour would incur the wrath of other institutions; as one pundit puts it, "After TRIG, I think they'll have to play it straight".

The final question is whether institutions will become "panic" sellers before the bidder reaches the 50 per cent mark.

If the City scents victory, there is a possibility that that they will seek to bail out for cash, rather than accept the offer and wait for payment in a few weeks' time. The "herd" has not charged yet, but there are still three days to go.

Yellowhammer director resigns from main board

By Alice Rawsthorn

ONE OF the directors of Yellowhammer, the troubled advertising agency, yesterday resigned from the main board.

The resignation of Ms Sara Pearson, who has left the main board but will continue to work within the group, comes only a few days after the departure of Mr Les Hewitt, the former media director of its main London advertising agency.

Yellowhammer, which was due to publish its preliminary results last month, has suffered severely from the slump in the UK advertising industry. A few months ago it warned shareholders that it would fall into losses of £3.6m in the year to March 31.

Mr Jon Summerill, chairman, said Ms Pearson had left the board to concentrate on her role as managing director of SPA, the public relations consultancy.

Mr Summerill said Ms Pearson's resignation was "completely unconnected" with Mr Hewitt's departure. Mr Hewitt, who was on the board of the London agency, had left "with a generous settlement" as part of the rationalisation of the agency.

Yellowhammer has been rationalising its operations since the start of the year. The workforce of the London agency has been reduced by 20 to 130. The group has also cut costs by merging or closing poorly performing subsidiaries, including its Spanish and French agencies.

Mr Summerill squashed City speculation that Yellowhammer – which has heavy debts – was under pressure from its bank. He said the bank was "not exactly relaxed" but Yellowhammer was operating within its overdraft limits. The preliminary results would be published "once the auditors have signed them off in 10 or 12 days."

Yellowhammer has been shrouded by bid speculation for several months. Woollams Moira Gaskin O'Malley, a privately owned London agency, disclosed a sizable minority stake shortly after the profits warning in March.

Hearts backers strike at Hibs club defenders

By Clare Pearson

SUPPORTERS of Heart of Midlothian Football Club's £6.1m contested bid for Edinburgh Hibernian yesterday launched a strong attack against the owner of the Scottish Premier League club.

Two directors of Hibs who have broken ranks to support Heart's offensive, Mr David Rowland, deputy chairman, and Mr Jeremy James, a director, described as "wholly irresponsible" a defence document put out last Friday.

They claimed that a forecast of the loss for the year to end-July made last week by Hibs was "seriously misleading". It was not made clear that the £2.4m figure was based on the assumption that £1.5m would be realised by the sale of players. If that failed to happen, the figure would be £4m.

Meanwhile, Hibs announced it had succeeded in obtaining a court order freezing 25 per cent of its shares where replies to Section 212 notices had proved unsatisfactory. It also urged shareholders to continue to reject Hearts' offer.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
Brown & Tawse ......fin	6.65	Aug 8	6.65	9.5	9.5
Campbell & Arm'§....fin	3.35	Aug 24	3.3	5	4.95
Colefax & Fowler .....fin	2.4	Oct 1	2.2	3.7	3.3
EFG § ....int	1.25†	Aug 10	1.25	-	3.5
Fyffes ....int	0.2933♣	July 31	0.267*	-	0.941
Greene King ....fin	6.9	Aug 16	6.1	9.8	8.7
Hollas ....fin	1.6	Oct 1	1.6	3.2	3.1
Nrth'brian Water.......fin	10.69	Oct 1	-	10.69	-
Office & Elect ....fin	nil	-	nil	0.1	0.1
Shield ....fin	nil	-	nil	nil	1
Sthn Business § ......int	0.94	Aug 16	0.72*	-	1.96*
Surrey § ....fin	0.075	Sept 17	-	0.075	-
Umeco § ....fin	2.24	Aug 14	-	3.815	-
Vardy (Reg) ....fin	2.4	Oct 3	-	2.4	-
Westport § ....fin	0.6	-	1	0.6	1

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. ♣Irish currency.

Office & Electronic deeper in the red

Office and Electronic Machines fell further into the red in 1989 with a pre-tax loss of £2.39m compared with a deficit of £1.84m for the preceding year.

Net losses per share showed an increase from 30p to 39.1p. There is no final dividend leaving the 0.1p interim (paid to maintain trustee status) as the sole payment for the year.

Turnover fell from £19.22m to £16.77m; the operating loss was £2.14m (£1.6m) before an exceptional debit of £35,000 (£92,000).

Interest payable was £291,000 (£331,000) and extraordinary items amounted to £995,000 (£550,000).

PUBLIC WORKS LOAN BOARD RATES

Effective July 4

	Quota loans repaid			Non-quota loans B* repaid		
Years	by EMP†	At††	at maturity§	by EMP†	At††	at maturity§
1			$13\frac{3}{4}$			$14\frac{1}{2}$
Over 1 up to 2	$13\frac{5}{8}$	$13\frac{1}{2}$	13	$14\frac{5}{8}$	$14\frac{1}{2}$	$13\frac{3}{4}$
Over 2 up to 3	$13\frac{1}{4}$	$13\frac{1}{8}$	$12\frac{5}{8}$	$14\frac{1}{4}$	$14\frac{1}{8}$	$13\frac{3}{8}$
Over 3 up to 4	$12\frac{7}{8}$	$12\frac{7}{8}$	$12\frac{3}{8}$	$13\frac{7}{8}$	$13\frac{7}{8}$	$13\frac{1}{8}$
Over 4 up to 5	$12\frac{5}{8}$	$12\frac{5}{8}$	$12\frac{1}{8}$	$13\frac{5}{8}$	$13\frac{5}{8}$	$12\frac{7}{8}$
Over 5 up to 6	$12\frac{1}{2}$	$12\frac{3}{8}$	$12\frac{1}{8}$	13	$12\frac{7}{8}$	$12\frac{5}{8}$
Over 6 up to 7	$12\frac{3}{8}$	$12\frac{1}{4}$	$12\frac{1}{8}$	$12\frac{7}{8}$	$12\frac{3}{4}$	$12\frac{5}{8}$
Over 7 up to 8	$12\frac{1}{4}$	$12\frac{1}{4}$	12	$12\frac{3}{4}$	$12\frac{3}{4}$	$12\frac{1}{2}$
Over 8 up to 9	$12\frac{1}{4}$	$12\frac{1}{8}$	12	$12\frac{3}{4}$	$12\frac{5}{8}$	$12\frac{1}{2}$
Over 9 up to 10	$12\frac{1}{8}$	$12\frac{1}{8}$	$11\frac{7}{8}$	$12\frac{5}{8}$	$12\frac{5}{8}$	$12\frac{3}{8}$
Over 10 up to 15	$12\frac{1}{8}$	$11\frac{7}{8}$	$11\frac{3}{8}$	$12\frac{5}{8}$	$12\frac{3}{8}$	$11\frac{7}{8}$
Over 15 up to 25	$11\frac{5}{8}$	$11\frac{1}{4}$	11	$12\frac{1}{8}$	$11\frac{3}{4}$	$11\frac{1}{2}$
Over 25	$11\frac{1}{8}$	11	11	$11\frac{5}{8}$	$11\frac{1}{2}$	$11\frac{1}{2}$

*Non-quota loans B are 1 per cent higher in each case than non-quota loans A. †Equal instalments of principal. †† Repayment by half-yearly annuity (fixed equal half-yearly payments to include principal and interest). § With half-yearly payments of interest only.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the subdivisions shown below are based mainly on last year's timetables.

TODAY

Interims- Berisford Intl., Buckingham Intl., Leslie Wise.
Finals- Burtonwood Brewery, Daejan, First Technology, Lees (John J), Rowe Evans, Southern Water, Stewart & Wight, Tiphook.

FUTURE DATES

Interims-

Acsis	July 16
Goring Kerr	July 12
Kode Intl.	Aug. 9
M & G Dual Tst.	July 11
TACE	July 12
TI Group	Aug. 2

Finals-

Creighton's Naturally	July 9
Geevor	July 12
Graig Shipping	July 12
Sims Food	July 16
Thorpac	July 11
Turnbull Scott	July 9

UK COMPANY NEWS

Monument plans £29m cash call

By Steven Butler

MONUMENT Oil and Gas, the fast-growing independent oil company, yesterday announced a £28.75m rights issue and plans to acquire, for £20.01m in shares, the oil and gas assets of Nimex Resources, the private company which has a 40.2 per cent stake in Monument.

Monument is offering its shareholders seven shares at 87p each for every 25 shares held. The shares yesterday closed off 2p at 44¾p.

Nimex has agreed not to take up its entitlement of shares, which are to be cancelled. This will maintain Nimex's share holding in Monument at 40.2 per cent after the issue of 54m shares to pay for the oil and gas assets. Thus, in effect Nimex is paying for its entitlement under the rights issue with assets rather than cash.

The assets will expand Monument's activities beyond the UK and include acreage in Malaysia, Thailand, Burma, the Philippines, Australia, Pakistan, Egypt, and the East China Sea. This includes some discoveries under appraisal.

Mr Tony Craven Walker, who will formally become chief executive at Monument, said Nimex had always intended to merge the two companies' assets, but that Monument was initially too small to contemplate exposure to the higher risks of international exploration.

"We are trying to build for the late 1990s," he said.

Proceeds from the rights issue will be used to fund an expanded exploration programme and to increase the size of Monument's exploration portfolio. Monument has also raised £7.8m from disposing of its interests in the Bruce and Keith fields to Total Oil Marine, part of the French oil group.

Monument said yesterday that it had made eight oil or gas discoveries in its first nine wells drilled this year. This includes a gas discovery in block 110/13, in which Monument has a 25 per cent interest, which tested at 70m cu ft a day.

The deal will strip Nimex of its oil assets and the management teams at the two companies will be merged under Mr Craven Walker's leadership. Miss Liz Airey will become Monument finance director, while Mr Jim Hornabrook will be appointed exploration director.

Monument shares, which previously traded on the Unlisted Securities Market, are to join the main market.

The oil assets acquired by Monument in the deal were valued at $29.56m (£16.5m) by Scott Pickford, a firm of independent consultants. County NatWest Wood Mackenzie has underwritten the rights issue.

Verson to halve gearing with £10m rights issue

By Charles Leadbeater, Industrial Editor

VERSON International, the West Midlands-based machinery maker, yesterday unveiled plans for a £10m rights issue.

Mr Tim Kelleher, chairman and chief executive, said the issue, which will halve gearing to close to 53 per cent, will give the group the flexibility to make further acquisitions in the next 12 months.

The board and the two venture capital organisations which have been backing the management and own about 63 per cent of the equity have agreed to waive their rights to the issue. Their stake has been pre-placed at a premium with institutional investors at a price of 43.5p.

The institutions are underwriting the remainder of the two-for-seven issue, which is being made at 40p, about a 15 per cent discount to the market.

According to the annual report released with details of the rights issue, Verson's order book has risen from £80m to £94m since May.

Helene's £2.6m rights to fund sales expansion

By Jane Fuller

HELENE, the clothing maker and textile merchant, has announced a £2.62m rights issue to fund its expansion.

The company plans to offer 14.4m new shares at 20p each on a 1-for-4 basis. The share price shed 1p yesterday to close at 24p.

Mr Monty Burkeman, chairman and joint managing director, said the company's sales had grown by 50 per cent last year to £62m – the pre-tax profit was £4.1m. In the first five months of this year turnover was 22 per cent ahead of the comparable period. "We need to finance it," he said.

Mr Burkeman explained that Helene needed to have the capacity to get orders ready for its retail customers, who would have arranged to take delivery at any time over a three-month period.

The issue has been fully underwritten by Allied Provincial Securities.

Helene had also arranged a £5m unsecured term loan with National Westminster.

TPS warms to £16m Swiss bid

By William Dullforce in Geneva

SOCIETE GENERALE de Surveillance, the Swiss group which is the world leader in inspection and testing services, yesterday announced a £15.6m recommended cash offer for Technology Project Services, the UK engineering personnel services company.

SGS, which is offering 325p for each TPS share, said it has received a favourable response from institutional and management shareholders representing 60.09 per cent of the total capital.

The Swiss group said it was paying 14 times the 1989 earnings of TPS.

The UK company, which in 1989 achieved turnover of £14.1m, supplies consultants, engineering and technical staff on a contract basis to UK and European companies, principally in the telecommunications and electronics sectors.

The offer price compares with the 330p paid just before trading was suspended in TPS shares on Tuesday. It represents a premium of 20 per cent over the price at which the shares were trading in March, when TPS announced that Mr Richard Avery, its chairman, was discussing the sale of his 29.8 per cent stake, which might lead to an offer for the whole company.

The premium above the price prevailing in December, before newspaper speculation about a sale started, is 55 per cent.

As an alternative to the cash offer TPS shareholders can choose to take loan notes of the same nominal value issued by SGS (UK), carrying interest at a floating rate of 1 per cent below the six-month Libor.

SGS, active in some 140 countries, last year reported a 25 per cent increase to SFr155m (£62.5m) in net consolidated earnings on revenues of SFr1.95bn.

Former BAA chief receives £221,000 compensation

Mr Jeremy Marshall, who resigned last year as chief executive of BAA, the former British Airports Authority, received £221,000 in compensation , according to the group's annual report.

The resignation followed differences with Sir Norman Payne, BAA's chairman, over the future direction of the company. His recently appointed successor is Sir John Egan, former chairman of Jaguar.

Sir Norman this year received a 28 per cent pay rise worth £72,000, taking his annual salary to £330,000. Last month BAA announced a 29 per increase in pre-tax profits for the year to March 31.

Hogg seeks £14.6m for further acquisitions

By Jane Fuller

HOGG GROUP, the insurance broker which has made 29 acquisitions in 4½ years, is raising £14.6m via a rights issue to fund further purchases.

The shopping list includes parts of the British & Commonwealth insurance broking operation, which is being sold off by the administrators.

The 1-for-5 issue of 10.1m new shares is priced at 150p, compared with yesterday's close of 175p, down 5p after the announcement.

The group, which last year made pre-tax profits of £13.6m on sales of £93.9m, has about half its business in the UK and most of the rest in the US.

Mr James Vaughn, chairman, said a number of acquisitions were in the pipeline and rather than repeatedly making vendor placements it was thought better to have one large issue.

Initially, the proceeds would reduce debt – loans totalled £23m – but that was not the main reason for the move. Interest payments had been covered about six times by last year's operating profit.

The group did, however, have very low net assets because of writing off goodwill on acquisitions.

Mr Peter Davidson, finance director, said: "If we want to do another five or six acquisitions in the next 10 months and we borrowed all the money to do it, we would be worried about debt. Because of that and because of the balance sheet we want to do the deals for shares."

Although the UK retail insurance business remained difficult, it only constituted 15 per cent of group business. Other areas were buoyant and the UK wholesale market was improving.

The group expected to be able to increase the total dividend for this year by just over 10 per cent to 8p on the enlarged share capital.

The rights issue has been underwritten by NM Rothschild & Sons and UBS Phillips & Drew Securities, which is the broker to the issue.

Northumbrian keeps project costs down and achieves £10m

By Clare Pearson

NORTHUMBRIAN Water yesterday gave an encouraging signal about cost controls in the privatised water industry when it revealed it had underspent its budget for capital projects by 8 per cent during the year to end-March.

Northumbrian spent £66m against an expected £71m. Mr Mike Murden, managing director, said only about £1m of the difference arose from spending carried over into the current year. The rest was cost-saving.

The statement came as Northumbrian announced pretax profits for the year of £10m, against the £5.5m promised in the prospectus. It made £10.1m in 1988-89. On a pro forma basis, assuming the new capital structure had been in place since the start of the year, it made £4.5m more than forecast at £54.8m before tax.

Northumbrian plans to spend about £100m on capital projects this year, and about £550m over a five-year period.

Mr Murden also said that Northumbrian, which enjoys abundant supplies from the Kielder reservoir, could guarantee that it would not have to impose restrictions on water use for the rest of the year.

A dividend of 10.69p is recommended, in line with the December prospectus. Pro forma the payment is 16.04p with earnings per share of 78.3p. Turnover rose to £150.9m (£141.7m).

Mr Murden said Northumbrian's scheme to move into waste management had currently been blocked with planning applications for two treatment plants having been turned down. It was appealing against those decisions.

Trevor Humphries

Sir Michael Straker, chairman, (left) and Mike Murden, managing director: "We've got off to a good start"

Northumbrian has also made a move into cable television through an option to buy shares in a venture which has just won a franchise in the Wear area.

Mr Murden said Northumbrian was now on friendly terms with Lyonnaise des Eaux, the French company which owns two of the private water companies in the area, Newcastle and Gateshead and Sunderland and South Shields.

● **COMMENT**

Just how far the market has discounted the Government's anti-merger stance on the water industry was demonstrated yesterday when Mr Nicholas Ridley announced a decision effectively to block Generale des Eaux from bidding for Mid-Kent Water. The water sector nevertheless strongly outperformed a falling market and Northumbrian, where a very strong initial share price performance last December was partly powered by speculation about the intentions of Lyonnaise, was up there with the rest of them. Back to business: it is a peculiarity of privatisation restructuring that Northumbrian's pre-tax profits will be lower this year than last at about £47m. But that is no reflection on the management, where the news on how capital expenditure was handled last year yesterday only enhanced a good reputation. The shares are sound value on a prospective yield of nearly 8 per cent.

Colefax and Fowler up 48% to £4m

COLEFAX AND Fowler Group, the wallpaper, fabric and furniture company, yesterday transcended the gloom prevalent in the retail sector by unveiling a 48 per cent advance in annual profits.

The rise – from £2.71m to £4.01m – reflected an increased contribution from overseas, and was achieved on sales ahead 61 per cent to £30.73m, 48 per cent of which were generated outside the UK.

Colefax's overseas exposure and its concentration on the higher end of the market serve to insulate it from the current malaise in UK consumer spending.

Some 80 per cent of total sales come from the product division where, helped by new collections, the Colefax and Fowler brand lifted trade sales by 24 per cent.

Sales in the US and Australia rose by 15 and 16 per cent respectively, while export sales to other areas, mainly Europe, advanced 22 per cent.

The group's seven retail outlets in the UK accounted for 10 per cent of sales. Mr David Green, chairman, said that while the operation had performed well he did not anticipate growth "in the current economic climate".

Colefax's decorating division had "an excellent year" he stated. The division, accounted for about 20 per cent of sales. Earnings per share, aided by a reduced tax charge, expanded to 13.4p (11.6p). A recommended final dividend of 2.4p lifts the total to 3.7p (3.3p).

Brown & Tawse falls 37% on 'mirror image' trading

By Jane Fuller

BROWN & Tawse Group, a distributor of steel and pipeline products, has blamed the appearance of a mirror image of one of its subsidiaries for a substantial part of a 37 per cent fall in pre-tax profit.

Mr Gil Black, chairman, said Stauff Group, a hose distributor, had gone from an operating profit last year of about £1.6m into losses of roughly £500,000. He alleged that this followed the setting up of an organisation that mirrored its activities.

He claimed that the rival grouping involved Mr Adrian Sanderson, the former managing director of Stauff who left in June last year. About 30 managers and staff had defected to the new organisation, he said.

Brown & Tawse had taken court action in pursuit of a claim that Mr Sanderson had been in breach of a no-competition agreement. Mr John Rolph, finance director, said injunctions had been obtained in February against trading by Mr Sanderson and by a company called Boldline Products, based in Rotherham, which had since gone into liquidation. The case was expected to be heard in the autumn.

The Stauff factor was part of a £3.6m slide to £6.03m in Brown & Tawse's pre-tax profit for the year to March 31. Turnover advanced to £187.56m (£165.49m).

Because of shares issued to help fund the purchase of Jay Fasteners in April 1989, earnings per share fell by 40 per cent to 13p (21.6p).

The final dividend has, however, been held at 6.65p for an unchanged total of 9.5p.

The share price shed 5p yesterday to close at 123p. A profit warning in April had already knocked it back by 33p.

The special products group, which includes Stauff, saw operating profit decrease from £5.19m to £3.39m on sales of £62.46m (£52.5m). A loss was also made by P J Holloway, which distributes heating and ventilation equipment.

The core business, Brown & Tawse Ltd, which sells tubes and pipeline equipment, increased its operating profit to £6.71m (£6.28m) on sales of £125.1m (£112.99m).

Interest charges more than doubled to £4.07m (£1.87m) and gearing stood at 58 per cent.

Mr Black said business and property disposals were being considered.

● COMMENT

The worry with Brown & Tawse is that it had a disappointing year when commercial construction, a key area of custom, was still buoyant. So what happens when the slowdown in building reaches this sector, as some companies have already noticed happening? The situation seems to be that as the bad bits – Stauff and Holloway – improve, the good areas will start to deteriorate. Debt reduction will also be a key factor, with Holloway as one of the candidates for disposal. If pre-tax profit can be maintained at £6m, the prospective multiple is 10 – far from cheap. The rating is supported by a prospective yield of more than 10 per cent, and optimists might throw in recovery potential and speculative possibilities.

Enlarged Reg Vardy up 17%

REG VARDY has been busy using the £6.3m proceeds of its flotation to expand and ended the year to April 30 with two Ford dealerships added to its stable, a Vauxhall dealership and agreement to acquire a BMW dealer.

Taxable profits of the multi-franchised motor group, which joined the main market last October, rose 17 per cent from £3.81m to £4.45m on sales up 32 per cent to £126.61m.

Two of the acquisitions take the north of England-based company down south; one of the Ford dealers is in Reading and the BMW dealer is at Bromley, Kent. The consideration for the latter is about £1.5m cash. Other acquisition possibilities are under review.

Earnings rose to 11p (10.5p) and a dividend of 2.4p is recommended for the year.

The company is being reorganised into three divisions: specialist cars, volume cars and Anchor Ford, the latter reflecting Ford's request for a different name for Vardy's Ford group.

More bitter pills for Berisford shareholders

Clare Pearson asks if Sclater has managed to clear all the skeletons in the cupboard?

THIS MORNING Mr John Sclater will make his first report as executive chairman of Berisford International, the troubled sugar and property group for which Tate & Lyle, the sweeteners group, dropped a contemplated bid earlier this week.

It will look horrible: there will be no interim dividend; and coming on top of large sums set aside in previous years, there will be extra provisions of close to £165m, mainly in respect of Berisford's ill-fated venture into New York property.

Depending on what is taken above or below the line, the pre-tax figure will be about £20m, compared with the previous figure of £36.4m, after £14.2m exceptional items.

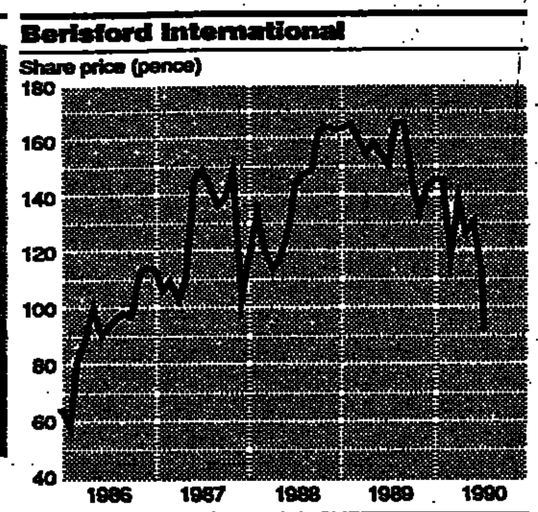
Mr Sclater, the former non-executive director who took over as chairman after Mr Ephraim Margulies resigned in March, is expected to accompany the figures with pages of explanatory detail. These will cover, for instance, how the valuations of the properties are arrived at and how balance-sheet net debt of about £1bn is made up.

The message is to be that Berisford is finally making a clean sweep of the obscurely tangled mess of its trading activities.

But the problem is: shareholders have heard that line from Mr Margulies and team before. They are bound to wonder whether Mr Sclater has uncovered all the skeletons in the cupboard.

No one will be keener to ask questions than Mr Garry Weston, chairman of Associated British Foods, the milling and baking group left with a 23.2 per cent stake after an aborted bid 2½ years ago.

Garry Weston: keen to get some answers



Mr Weston said last month he would have to consider writing-down the value of his holding if Berisford disclosed substantial extra provisions in these figures.

The announcement comes during a week in which Tate & Lyle's surprise withdrawal, which came after the Monopolies and Mergers Commission had started investigating a merger of its UK sugar interests with Berisford's British Sugar, has fuelled the worst fears about the company.

This is because, in what some people saw as an unnecessarily complicated statement, it made ominous reference to concerns about the "value and status" of Berisford's non-sugar assets.

But Tate will have thrown considerations of its own into the equation as well. In relation to its size, Berisford was a massive bite to swallow and Tate is already nearly 100 per cent geared. The difficulties of financing the purchase may have loomed larger in its calculations than it publicly admitted.

A big priority with Tate was also that of preserving the profitability of its existing cane sugar interests. Valuable aid from the EC to compensate for the disadvantages of cane sugar refining as against beet was hard won by the company.

This could have been put at risk were it to obtain a virtual monopoly of the UK sugar market by acquiring the beet refiner British Sugar as well.

This concern has also made Tate exceedingly anxious to maintain a whiter-than-white reputation. That appears to be the reason why it accompanied its Monday announcement with an intriguing revelation: that it had uncovered marketing practices that might "contravene competition laws" within its UK sugar subsidiary.

Though they are presumed to involve price collusion, the nature and scope of these "practices" is at present a complete mystery. Tate will say nothing while it conducts an internal investigation, except that it has paid a "courtesy visit" to the Office of Fair Trading to notify it.

Although Tate has not said so, it is presumed British Sugar is the only party with which such collusion could have gone on. However, Berisford has been indicating it does not know what Tate is talking about.

The matter could be quite minor, but nevertheless important both in the reasoning behind Tate's dropping the bid and the moment it chose to do so.

It would have been anxious to "come clean" as soon as it had detected the practices, less than two weeks ago. It may also have received hints about any view the MMC might have taken of such goings-on.

On whatever scale, they are not likely to make a big impact on Tate as a group, where Tate & Lyle Sugars accounts for only 15 per cent of profits.

But there is speculation that the matter could be more significant for Berisford, for which British Sugar – which is still headed by the highly regarded Mr Peter Jacobs, part of Mr Margulies' old team – is the only big profit earner.

All in all, Mr Sclater will be bracing himself for some tough questioning, not least from Mr Weston's camp. ABF has flexed its muscles in the past, helping orchestrate the shareholder unrest that finally led to the departure of Mr Margulies and others.

Indeed, many are hoping ABF will take on a new role. In the wake of Tate's statement, Berisford stressed it was talking to other potential bidders, but these suitors have yet to make themselves known.

ABF, meanwhile, stands out as the only company ever to have obtained clearance to acquire British Sugar before it dropped an offer following the 1987 stock market crash.

But so far, while expressing continued in British Sugar, ABF has failed to renew the bid. The market is wondering whether what emerges today will make it think again.

NEWS DIGEST

Hollas Group suffers in second half

"I HAVE NEVER before experienced such a rapid deterioration in what were already very difficult trading conditions when I made my interim statement six months ago," said Mr Tony Lawson, chairman of Hollas Group, in announcing reduced profits for the year ended March 31 1990.

At the halfway stage this textile and leisurewear group had lifted pre-tax profit by £268,000 to £1.46m. The second half, however, saw a fall of £674,000 to leave the year's total at £2.63m (£3.03m) from turnover of £57.6m (£49.54m).

"We have pared down everything we can without destroying the fabric of the good companies which we own, and we are constantly seeking ways of improving our performance", Mr Lawson said.

Hawkshead Sportswear, the retail division acquired about 15 months ago, had not been able to avoid the results of the public's restricted spending powers, and financing costs of high, inherited, stock and commitment levels had eroded profit expectations.

"Nevertheless, we are very satisfied with the acquisition," Mr Lawson said.

Earnings in the year came to 3.8p (6.6p) per share. The final dividend is again 1.6p to make 3.2p (3.1p).

Surrey beats prospectus forecast

Surrey Group, the licensed bookmaker which came to the USM in December, yesterday unveiled taxable profits of £886,000 for the year to March 31 – £46,000 above the prospectus forecast.

The outcome, achieved on turnover of £21.31m (£17.23m), compared with profits of £248,000 last time. It comprised £651,000 from bookmaking operations and £235,000 from property disposals.

At the time of the flotation, Surrey operated 34 betting offices. Since the year-end, that number has increased to 42, and Mr Bob Green, chairman, said the aim was to double that during the current 12 months.

Earnings per 5p share emerged at 1.12p, against the forecast of 1.06p and 0.2p last time. A maiden dividend of 0.075p is proposed.

Boscombe Property reaches £74,000

Boscombe Property increased pre-tax profits from £62,275 to £73,780 in the year to March 31.

However, earnings per share were lower at 61.52p (85.14p) and directors said there would be no final dividend as the continuing maintenance programme at San Remo Towers had again hit profits.

Gross rental income amounted to £634,910 (£574,374) and investment income was £3,238 (£12,736).

Aircraft refuelling arm bolsters Umeco

A strong performance by its aircraft refuelling subsidiary helped Umeco increase taxable profits by 21 per cent from £641,000 to £773,000 in the year to March 31.

Sales of the USM-quoted company, which also distributes seals and sealants and other components for the aerospace industry, rose 17 per cent from £9.92m to £11.57m.

Umeco said yesterday that Fluid Transfer had lifted pre-tax profits by 30 per cent and its other subsidiaries, Pattonair and B&K, had both benefited from the buoyant market in the civil aviation sector.

A final dividend of 2.24p is proposed, making a total of 3.815p on earnings of 9.8p (9p) per share.

Interest charges pull down EFG

Without the exceptional property surplus and allowing for higher interest charges, EFG, the forestry and garden products group, saw pre-tax profit fall from £1.24m to £495,000 in the half year ended April 1.

Turnover rose to £25.4m (£18.5m) and the operating profit to £970,000 (£620,000). Interest charges were £487,000 (£85,000).

Lord Rees, chairman, said the difficulties facing commercial forestry and the likelihood of continuing high interest rates would affect the full results. Garden leisure activities continued to perform satisfactorily and results of the horticultural side were up to expectations.

Earnings dropped from 7.4p to 2.31p, but the interim dividend is held at 1.25p.

Increased overheads warning by Shoprite

Shoprite Group, formerly Isle of Man Enterprises, reported an 8 per cent increase from £867,000 to £936,000 in pre-tax profits for the half year to April 28.

The company is involved in commercial property development and investment and leisure-related activities, and is an operator of a retail garage and retail petrol stations.

Mr Deryck Nicholson, chairman, said that higher wage settlements within the retail industry had caused concern, and consequently Shoprite had been faced with substantial increases. Profit growth in the second half was likely to be similar to that now reported.

This would make a total of about £1.9m, compared with the previous year's £2.1m.

Turnover was £15.3m against £12.4m. After tax of £145,000 (£173,000) earnings per share were 6.9p (6p). The company does not pay an interim dividend.

Shoprite also announced that it has acquired a five-acre freehold site in Scotland for £1.1m to be used as a distribution facility.

Fyffes ahead 11% to I£9.23m

Fyffes, the Irish-based distributor of fresh fruit, flowers and vegetable produce, experienced a sound first half to April 30.

Turnover rose 26 per cent, from I£174.4m to I£219.3m, or £2m, while the growth in pre-tax profit was kept to 11 per cent, from I£8.33m to I£9.23m, or £8.43m.

Margins were slightly lower. The company continued to invest in constructing depots and new ships, and met significant costs in establishing new supply sources in Honduras.

Fully diluted earnings were 2.06p (1.91p) per share. The interim dividend is raised to 0.2933p (0.2667p).

UK ECONOMIC INDICATORS

ECONOMIC ACTIVITY- Indices of industrial production, manufacturing output (1985=100); engineering orders (£ billion); retail sales volume (1985=100); retail sales value (1985=100); registered unemployment (excluding school leavers) and unfilled vacancies (000s). All seasonally adjusted.

	Indl. prod.	Mfg. output	Eng. order	Retail vol.	Retail value*	Unem-ployed	Vacs.
1988							
4th qtr.	110.2	117.2	28.7	121.8	155.4	2,087	244.9
1989							
1st qtr.	110.8	119.2	33.0	121.3	125.8	1,956	228.5
2nd qtr.	109.5	119.5	33.6	121.9	132.4	1,857	222.4
3rd qtr.	110.6	119.4	34.4	121.6	134.5	1,740	220.3
4th qtr.	110.6	118.9	33.7	122.3	165.8	1,654	225.5
April	111.7	120.3	34.7	125.9	132.1	1,960	223.2
May	109.3	119.5	34.1	124.9	133.9	1,920	218.5
June	108.5	118.8	34.0	121.1	131.4	1,811	224.4
July	109.7	119.3	34.6	120.8	134.9	1,765	220.6
August	111.1	119.7	35.5	121.5	134.4	1,743	219.5
September	110.9	119.3	35.3	122.2	134.3	1,693	220.7
October	110.7	118.8	34.3	121.8	140.6	1,675	214.6
November	110.3	118.2	34.2	121.6	153.8	1,652	208.5
December	110.9	118.8	33.7	123.2	165.5	1,635	196.4
1990							
1st qtr.	110.5	119.9	34.8	123.1	135.1	1,623	197.9
January	110.3	119.7	36.7	122.1	134.2	1,612	199.3
February	108.6	118.9	35.2	124.8	134.9	1,610	198.7
March	111.6	121.1	34.6	122.6	136.1	1,604	195.6
April	112.3	121.0	35.1	124.0	144.0	1,607	209.2
May				126.7	144.6	1,611	195.9

OUTPUT- By market sector; consumer goods, investment goods, intermediate goods (materials and fuels); engineering output, metal manufacture, textiles, leather and clothing (1985=100); housing starts (000s, monthly average).

	Cnsmer. goods	Invest. goods	Intmd. goods	Eng. output	Metal mnfg.	Textile etc.	Housg. starts*
1988							
4th qtr	114.3	115.9	108.5	116.5	124.5	102.2	18.4
1989							
1st qtr.	115.0	120.3	104.3	119.9	131.2	100.7	17.9
2nd qtr.	115.4	121.1	103.6	120.7	123.4	99.3	18.6
3rd qtr.	115.9	122.5	104.5	121.4	123.9	97.7	15.0
4th qtr	114.9	121.7	105.6	120.5	122.3	97.9	12.5
March	115.6	120.1	104.3	120.0	125.0	100.0	15.8
April	115.6	121.0	102.4	121.0	128.9	100.6	18.4
May	115.0	120.4	101.2	120.9	123.9	99.0	19.6
June	114.6	121.8	101.3	120.9	119.6	99.8	17.7
July	115.5	122.8	102.7	122.6	122.0	98.0	15.6
August	114.8	123.3	105.2	121.8	123.0	98.0	14.8
September	114.8	121.6	105.5	121.0	124.0	97.0	14.8
October	114.5	122.6	106.0	121.0	124.0	97.0	13.9
November	114.1	120.0	105.2	119.0	121.0	97.0	13.5
December	116.1	122.6	104.7	122.8	122.6	100.0	8.6
1990							
1st qtr.	115.4	122.3	104.0	121.9	119.9	99.1	13.3
January	115.7	122.5	103.3	122.0	118.0	100.0	12.7
February	114.3	122.3	103.2	121.0	117.9	99.8	12.0
March	116.2	124.7	105.6	123.0	125.0	99.5	15.1
April	115.6	126.2	106.1	124.6	120.0	97.5	12.4

EXTERNAL TRADE- Indices of export and import volume (1985=100); visible balance; current balance (£m); oil balance (£m); terms of trade (1985=100); official reserves.

	Export volume	Import volume	Visible balance	Current balance	Oil balance	Terms trade	Reserve US$bn
1989							
1st qtr.	112.8	140.5	-6,037	-4,240	+229	98.4	51.29
2nd qtr.	113.5	140.3	-6,335	-4,643	+228	98.1	45.67
3rd qtr.	117.2	141.0	-6,359	-6,966	+397	97.0	43.24
4th qtr.	124.4	139.0	-4,381	-4,196	+627	96.6	38.63
April	113.5	139.7	-2,193	-1,921	+118	98.9	47.28
May	114.5	140.3	-1,728	-1,453	+25	98.1	46.09
June	115.1	142.0	-1,951	-1,679	+104	97.9	43.67
July	115.6	138.5	-2,543	-2,475	+130	97.1	43.63
August	114.6	141.2	-2,378	-2,310	+163	97.4	43.21
September	121.5	143.3	-1,973	-1,849	+164	96.5	42.58
October	122.8	138.5	-1,682	-1,521	+212	96.9	38.95
November	121.9	140.4	-1,782	-1,721	+265	96.7	38.77
December	128.4	134.2	- 917	- 856	+210	96.3	38.64
1990							
1st qtr.	124.8	146.5	-5,471	-4,743	+430	97.1	38.76
January	125.3	150.2	-2,001	-1,759	+121	97.5	38.45
February	124.3	139.5	-1,384	-1,142	+145	97.1	38.54
March	124.9	149.8	-2,086	-1,843	+164	96.5	39.29
April	127.4	147.9	-1,804	-1,604	+200	97.2	39.03
May	130.8	147.3	-1,522	-1,322	+186	97.1	38.93

FINANCIAL-Money supply M0, M2 and M4 (annual percentage change); bank sterling lending to private sector; building societies' net inflow; consumer credit†; all seasonally adjusted. Clearing Bank base rate (end period).

	M0 %	M2 %	M4 %	Bank lending £m	BS inflow £m	Cnsmer. credit† £m	Base rate %
1989							
1st qtr.	6.7	15.2	18.2	+21,192	2,601	+907	13.00
2nd qtr.	6.9	13.1	18.2	+20,236	1,736	+[illegible]	14.00
3rd qtr.	5.3	10.2	17.0	+25,122	2,265	+729	14.00
4th qtr.	5.5	10.1	17.6	+20,703	1,057	+376	15.00
April	5.9	14.5	17.9	+6,272	1,175	+365	13.00
May	6.2	13.6	18.1	+6,427	713	+425	14.00
June	5.9	11.3	18.5	+7,557	-153	+169	14.00
July	5.2	10.6	16.5	+7,724	846	+285	14.00
August	5.1	10.1	17.3	+7,954	621	+290	14.00
September	4.5	10.0	17.3	+10,444	618	+164	14.00
October	6.2	9.9	17.2	+5,167	704	+178	15.00
November	5.7	10.7	17.4	+4,636	177	+298	15.00
December	6.1	9.6	18.1	+10,698	176	-99	15.00
1990							
1st qtr.	6.2	8.7	17.8	+22,096	1,315	+814	15.00
January	5.8	9.4	18.2	+5,814	389	+595	15.00
February	6.4	8.2	17.9	+7,129	386	+283	15.00
March	6.3	8.5	17.4	+9,153	383	+148	15.00
April	7.3	8.6	17.2	+3,895	795	+140	15.00
May	5.9	7.8	17.1	+5,745	703	+324	15.00

INFLATION-Indices of earnings (1985=100); basic materials and fuels; wholesale prices of manufactured products (1985=100); retail prices and food prices (Jan 1987=100); Reuters commodity index (Sept 1931 = 100); trade weighted value of sterling (1975=100)

	Earn-ings	Basic matls.*	Whsale. mnfg.*	RPI*	Foods	Reuters* cmdty.	Sterling
1988							
4th qtr.	103.6	100.1	115.2	108.9	105.7	1,587	97.4
1989							
1st qtr.	105.3	102.8	116.8	111.7	107.5	1,874	95.6
2nd qtr.	107.8	104.4	118.2	114.9	110.2	2,018	93.2
3rd qtr.	109.6	103.1	119.7	116.0	110.7	1,912	91.4
4th qtr.	112.8	105.8	121.2	118.3	113.6	1,843	88.0
March	107.3	102.4	117.2	112.3	109.3	1,988	95.9
April	107.4	103.9	117.8	114.3	109.6	2,010	95.5
May	107.6	104.7	118.3	115.0	110.3	2,014	94.5
June	108.4	104.7	118.6	115.4	110.7	2,027	91.1
July	109.1	102.8	119.2	115.5	110.1	1,890	92.4
August	108.8	102.7	119.7	115.8	110.6	1,917	91.6
September	110.8	103.5	120.2	116.6	111.2	1,889	91.2
October	112.2	104.1	120.8	117.5	112.4	1,851	89.7
November	112.5	105.7	121.2	118.5	113.5	1,836	87.8
December	113.5	107.7	121.5	118.8	114.5	1,818	88.5
1990							
1st qtr.	115.0	106.7	123.1	120.4	118.9	1,912	88.1
January	116.1	107.4	122.5	119.5	118.0	1,771	87.7
February	115.6	104.8	123.0	120.2	117.8	1,891	88.5
March	117.2	105.1	123.6	121.4	117.7	1,912	87.1
April	117.2	104.5	125.0	125.1	118.8	1,927	87.2
May		103.4	125.8	126.2	120.1	1,912	88.5

*Not seasonally adjusted

†Net changes in amounts outstanding, excluding bank loans.

MANAGEMENT: Marketing and Advertising

UK drinks industry

Cider's raging thirst for growth

Brand innovation is now seen as the name of the game, reports Philip Rawstorne

Britain's cider market boomed during last year's long hot summer. Consumption rose to a record 67.4m gallons – more than 9 per cent higher than in 1988 – and turnover grew to £475m.

It was the best year since a 47 per cent increase in duty in the 1984 Budget brought to an abrupt end more than two decades of growth.

The question now for the leading cider makers – HP Bulmer, Taunton Cider, Showerings, and Merrydown Wine – is whether they can escape the industry's apparent reliance on the summer to make its swallow, and sustain this renewed market expansion.

The answer will largely depend on the success of a shift in marketing strategies and an increased rate of product innovation.

"If we, as an industry, are to build on the gains made during 1989 then what we need is a variety of brands which are unashamedly cider and which do not have to apologise for being so," says Gray Olliver, marketing director of Showerings, the UK's third largest cider company. "We need brands that have a distinctive appeal and relevance to particular types of consumer."

Between 1960 and 1980, cider consumption increased from 18.9m gallons to 46.5m gallons as a result of wider availability, rising prosperity, and a growing adult population.

By 1984, distribution of draught keg cider into British pubs had pushed sales to 65.7m gallons. Access to the pub estates owned by the big brewers was the key to volume growth and market share.

With the loosening of the brewers' ties, following last year's Monopolies and Mergers Commission report, a new battle for distribution has begun.

The only obvious beneficiary, so far, has been Merrydown, the Sussex-based independent and leader of the premium sector which, through a deal with Showerings, has gained access to Allied Lyons' estate for its brands of bottled vintage cider.

Since most pubs sell one draught cider and are unlikely to find bar space for a second – at least until rates of sale begin to compete with ale or lager – the current battle is essentially for market shares.

It is unlikely to result in significant growth in sales volume – especially since the number of 18-24 year-olds, the age group for which the pub is a centre of leisure activity, is forecast to decline by 1m by 1995.

If cider makers are to maintain their sales growth, therefore, it is clear they must not only increase the drink's appeal to the younger pub-goer but find new markets among other age and social groups.

During the years of distribution-led growth, there was little incentive to introduce new products or to segment the market. For years, the only product differentiation was between sweet cider and dry cider. Advertising was focused on a few leading brands, and in the main projected cider's traditional and rural heritage with images of knights in armour, bucolic country yokels, ghostly characters from the past, and woodpeckers.

After the duty increase in 1984, the first general response to declining sales was to reduce advertising. Over the period 1983-85, expenditure for the industry as a whole fell by a third.

This reduction in advertising, together with a succession of poor summers, contributed to further volume declines and a growth in own-label ciders.

Merrydown countered the trend. Throughout the 1980s, it slowly strengthened its position in the premium sector it had created by supporting its strong Vintage Cider with consistent press advertising, rather snobbishly but wittily associating the drink with the "world's most sporting cricket club...most sublime ski resort...most benevolent bank."

Currently being advertised as "a better glass of cider", Merrydown now has 50 per cent of the premium sector. The sector forms only about 10 per cent of the bottled cider market, but industry analysts predict it will double in size over the next two years or so.

Richard Purdey, Merrydown's managing director, says: "We are growing our business through quality rather than by some marketing fad which can be easily undermined by a change of fashion."

The initial attempts of the bigger companies to give cider a contemporary image and compete head-on with the heavily-advertised lagers for younger drinkers were uncertain and largely unsuccessful.

"Cider advertising," says John Rudgard, chief executive of HP Bulmer, the market leader, "was then all about lads in pubs." Advertising by Leo Burnett for Bulmer's Strongbow projected it as a strong lager-like drink – the "Thirstslayer". An advertisement for Bulmer's Woodpecker, which featured "human" woodpeckers watching party-goers flying around a garden, was dropped after criticism that it was irresponsibly targeting the young.

Taunton Cider tried to emulate the flippant humour of lager advertising in a campaign for its Dry Blackthorn by WCRS Mathews Marcantonio, which urged drinkers to "forget the wet, get into the dry."

More recently, however, the industry has been finding a surer and more distinctive approach – and it has been backing it with bigger advertising budgets. Bulmer's marketing spend this year will be £14.5m and Taunton's £11m.

A Saatchi & Saatchi television commercial for Showerings' Gaymer's Olde English has stressed the product quality – "Every drop's been dripped." Olliver says: "The move was designed to give cider more credibility as a natural, refreshing fruit-based drink that would appeal to a wider audience."

Bulmer this year has tried to up-date and widen the appeal of Strongbow through a lifestyle advertising campaign by J Walter Thompson which features a young man and a young woman drinking the cider in a bowling alley.

Taunton, in a campaign devised by Grey Advertising, is promoting Dry Blackthorn as a drink for celebratory occasions at any time of the year – "Definitely a Dry Blackthorn day."

This switch in advertising approach for the major brands has been accompanied by an increasingly vigorous attempt to segment the market by targeting new products, of varying alcoholic strengths, at specific groups of consumers.

Showerings introduced Copperhead, the first new draught cider for 20 years, and gave it an urban image in television commercials by Butterfield Day DeVito Hockney. It followed with Addlestones Vintage, promoting that product like a real ale. Taunton last year launched Red Rock, on draught and bottled, and in a series of comical commercials by Gold Greenlees Trott is now promoting it as a drink to be included in the "repertoire" of style-conscious drinkers.

But while the draught cider market remains important – Bulmer has spent £1.75m on newly-designed bar fonts for Strongbow and Woodpecker – the main thrust of the new products has been in the packaged sector.

Taunton's Diamond White, the fastest-growing cider brand with a 118 per cent increase in sales last year, has been positioned at the premium end of the market, together with a new line extension, Diamond Blush, and Blackthorn Super. Bulmer has introduced Max, Strongbow 1080 and Super, and Showerings has launched K cider in the same sector.

All three companies have put low-alcohol ciders on the market – Bulmer and Taunton concentrating on the pub trade, Showerings promoting its version as a drink for family occasions at home.

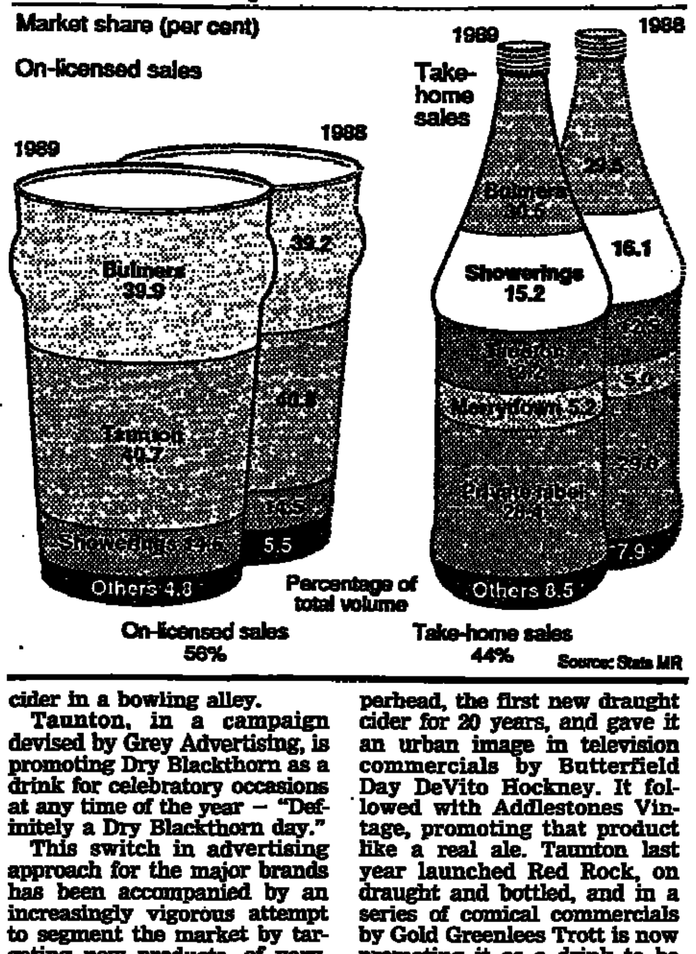
Taunton Cool and Bulmer's Crispen have been launched as refreshing options for women looking for "bridging" products between wines and soft drinks.

All this innovation, together with increased marketing investment, played its part in last year's record sales, says Bulmer's John Rudgard.

Taunton's commercial director, Andy Nash, agrees. "Products introduced over the past five years now account for 20 per cent of our sales," he says.

"I am confident that we can keep the market moving forward. After all, if we can convert just one pint of beer in every hundred to cider, our market will grow by 25 per cent."

Cider market performance



Source: Stats MR

After the mergers come the global aspirations

Alice Rawsthorn examines Omnicom's ambitions to become an international player in marketing services

There are banks. There are burger bars. There is even a Brooks Brothers store. These days there is almost every sort of business on Madison Avenue, but very few advertising agencies.

One by one the bastions of American advertising have been driven away to cheaper buildings downtown or on the west side. Only a handful of agencies remain. Omnicom is one of the survivors.

Omnicom is far from typical of the old breed of American agencies. It is the product of the wave of mergers and acquisitions that changed the face of US advertising in the 1980s. Omnicom is not a conventional advertising agency but the holding company for two of the world's largest advertising networks, and an assortment of other marketing consultancies.

Omnicom is already the world's fourth largest marketing services group – after WPP and Saatchi & Saatchi of the UK, and Interpublic of the US – with net income of $46.8m (£28.7m) on revenues of $1bn last year. It is now intent on expansion into new countries and other disciplines.

When Omnicom was founded three years ago – by the merger between BBDO, Doyle Dane Bernbach and Needham Harper – the omens were far from auspicious. The US advertising industry was then under attack from the acquisitive UK agencies. The creation of Omnicom looked less like a brave leap into international advertising than a defensive foil. The joke on Madison Avenue was that Omnicom stood for "Operations May Improve Considering Our Merger".

The joke was still being told a year later when Bruce Crawford – who had chaired BBDO until 1986 before leaving for the more rarefied role of general manager of New York's Metropolitan Opera house – became president of Omnicom. Crawford said at the time that he had thought the ad industry was full of *prima donnas* until he worked at an opera house.

When he returned, the most painful part of the merger – the integration of DDB and Needham into a single network – was largely completed. Crawford faced the longer term challenge of turning Omnicom into a powerful player in global marketing services.

Crawford sees Omnicom's role as that of a conventional holding company which oversees strategy, but delegates day-to-day decisions to the operating companies. In this respect he falls into the same mould as Philip Geier, president of Interpublic, and Martin Sorrell, chief executive of WPP.

The centre of his strategy has been to reduce Omnicom's reliance on US advertising. When he arrived, Omnicom made less than a third of its revenue outside the US. This meant it was weak in the fast-growing markets of Europe and Asia-Pacific. It was also weak in the specialist marketing disciplines – sales promotion and direct marketing – which were growing far faster than traditional advertising.

The first priority was to strengthen Omnicom in Europe, particularly in the major markets of the UK and West Germany. The solution for DDB:Needham arrived last year in the form of Boase Massimi Pollitt, the UK agency which was searching anxiously for a "white knight" to save it from a hostile bid by Boulet Dru Dupuy Petit of France.

BMP has absorbed DDB:Needham in London and is now the centre of Omnicom's European network. BMP, which had only just completed a painful merger with Davidson Pearce, has since lost a series of large accounts. But Omnicom now has a top five agency in the important UK market and BMP is winning new business again. It won the £7m Barclaycard account in May and retained the £9m Dulux account last month.

BBDO is still weak in London. A few years ago Omnicom made overtures to Still Price Court Twivy D'Souza, a young agency which has since linked up with Interpublic, another large US marketing group. It is now concentrating on strengthening BBDO's management, under Alfredo Marcantonio, the new deputy chairman.

The agencies have also been strengthened by acquisitions in West Germany, Sweden, Norway, Greece and Canada. The next area for expansion is eastern Europe. BBDO already has a joint venture in Moscow and DDB:Needham is about to move into Budapest. Both intend to service East Germany from their West German agencies.

Crawford is determined to proceed cautiously. "In time east Europe will be an important market, but there is a difference between investment and waste," he says. "We are not at all anxious to go in there and sit around waiting for things to happen."

Bruce Crawford: used to dealing with prima donnas

The other area for expansion is Asia-Pacific. Omnicom is already involved in Singapore, Hong Kong, Australia and Bangkok. It also has Japanese joint ventures with Asatsu for BBDO and Dai-Ichi Kikaku for DDB:Needham.

Omnicom and Asatsu have a long-standing cross-shareholding arrangement. Last autumn Omnicom sold the last of its shares in the Japanese agency, but Asatsu has been increasing its holding in the US group from 1.5 to around 3 per cent.

Omnicom is also eager to expand outside advertising by increasing its interests in other areas of marketing. It has already rationalised the 27 companies thrown together into Diversified Agency Services into 12 companies. DAS has bought Thomas A Schutz in sales promotion and Gavin Anderson in investor relations.

In the meantime Wall Street is reserving its judgment. Omnicom's shares rallied after the publication of its first quarter results, but its overall performance – like that of the rest of the marketing sector – has been distinctly dull.

Crawford seems sanguine: "It is a question of the market waiting for us to deliver. We need to prove that we can continue to improve earnings in a very competitive climate."

TECHNOLOGY

Geof Wheelwright on South Korea's efforts to improve its computer industry

Practising for the big league

South Korea's personal computer industry is at a turning point. Its traditional approach of producing unlabelled, imitative products for many western computer resellers and telecommunications companies will not make it a international force in the long term. But building a state-of-the-art industry with global "total quality" manufacturing, innovative products and brand-label marketing will not be achieved easily.

Companies such as Lucky-GoldStar, Daewoo Corporation and Hyundai, however, are boosting their research and development expenditure, updating their manufacturing processes, selling their products in world markets and, where possible, doing their own branding and marketing.

Daewoo, for example, which ranks 35th on the "Fortune 500" list and claims an annual turnover in excess of $21bn, spends 10 per cent of the revenue earned by Daewoo Telecom (the company within the group which makes most of its computer and telecommunications products) on R&D.

According to Daewoo Telecom president Sung-Kyou Park, the need for improved R&D has been so acute in recent years that his company has spent up to 14 per cent of revenues on it. And he suggests that this level of commitment will have to continue if South Korea is to develop a global market presence.

"In terms of research and development, we cannot compete with Japan. They have well-established R&D facilities which have been well-supported by Japanese companies," he explains. "But we are trying to build our research and development efforts very fast. It has been the most important thrust in building up my company."

Daewoo is not alone in this regard. The Korea Economic Journal reported in June that South Korean investment in R&D rose by 34.1 between 1988 and 1989. A warming of relations between Japan and South Korea has encouraged a substantial increase in the numbers of joint Japanese-South Korean R&D projects on anything from satellite design to genetic engineering.

The personal computer sector is in particular need of R&D, and efforts have been made in developing semiconductor research, development and manufacturing. Companies such as Daewoo Telecom and Goldstar have their own semiconductor divisions which they rely on to give them production, quality and price advantages.

South Korean companies are also supporting principles such as copyright protection and entertaining plans to manufacture outside South Korea. The Federation of Korea Information Industries last month announced plans to establish an organisation devoted to stamping out software piracy. It also unveiled a plan to label all legitimately-sold software applications with a special sticker, and educate businesses and the general public to make sure that the software they bought was not counterfeit.

South Korean companies are anxious to take advantage of a united Europe in 1992. Goldstar, for example, already manufactures in the UK and Turkey and is looking at developing further European facilities. Park says Daewoo Telecom is also interested in European manufacturing. "I am thinking of establishing manufacturing facilities not only in the EC, but also the US or anywhere else our market share is large. The users of PCs are becoming increasingly sophisticated – the market wants product and feature diversity and we cannot fulfil all these requirements sitting in Korea. We need to fulfil these with manufacturing facilities nearby."

A South Korean worker assembles computers at the Daewoo factory

Another opportunity lies in eastern Europe, where the horizontal structure of highly diversified companies such as Hyundai, Daewoo, Samsung and Goldstar provides more flexibility in "barter" trade than traditional western vertically integrated computer firms such as International Business Machines or Digital Equipment Company.

The argument is that a company such as Daewoo, for example, which has interests in the shipping, automobiles, computers, televisions, textiles, chemicals and petrochemicals, telephones and switching systems, commercial and civil construction and agriculture is in a better position to trade computers for oil, lumber or other raw materials than a traditional western computer company.

According to the Korea Economic Report, bilateral trade between South Korea and Hungary doubled in 1989. Last year, South Korea exported $38m worth of televisions, microwave ovens and other electronic consumer goods to Hungary and imported industrial chemical compounds, medicinal raw materials and lamps from Hungary.

Bilateral trade between South Korea and the Soviet Union has risen from $58m in 1985 to $599m last year – with trade for 1990 expected to reach $1bn. Large capital goods orders – such as the Soviet order for 10 oil tankers from Hyundai earlier this year – are expected to play a big part in this trade leap.

Not surprisingly, bridging the divide between North and South Korea is central to the economic future of the country. Many observers suggest that the two countries could outstrip Japan as the leading economy of the region if they were unified as an industrialised democracy.

Computers at risk from acts of man

By Alan Cane

HACKERS BEWARE! The Computer Misuse Act, which prescribes stiff penalties for unlawful tampering with computer systems, received the Royal Assent last week and comes into force in September.

Not a moment too soon for many UK companies, it seems. New research indicates that their computers are now more at risk from acts of man, whether malicious or accidental, than from acts of God – of the earthquake, fire or flood variety. And most of them, moreover, are ill-prepared to deal with the threat.

The author of the report, Rebecca Morgan, argues that companies become increasingly vulnerable as networked personal computers spread through the organisation: "Putting PCs on every employee's desk magnifies the risks enormously." Disgruntled employees are an obvious threat; elimination of the sundry debtors file is an example of malicious damage which could cause a company severe headaches.

The research was carried out by the London-based consultancy Butler Cox on behalf of the Amdahl Executive Institute, a research organisation established by the US mainframe computer maker. It shows that over the past seven years computer disasters have become more than a remote statistical possibility. Of 22 large companies in Europe and the US examined by Butler Cox, half have suffered a computer disaster in the recent past.

Yet only half of large organisations have a contingency plan against computer disaster. Of those, only a quarter have any confidence in the plan. And of those who both have a plan and have tested it, three quarters found that it does not work.

One company found its staff evacuated from its data centre during a terrorist alert. They were cut off from the contingency plan – stored safely in the data centre – by a wall of police. And nobody knew where the copy of the plan was secreted.

All of which would be amusing were it not for the fact that almost 60 per cent of companies would go out of business if their computer systems were out of operation for more than three days. Less than 10 per cent could survive a computer outage lasting one month.

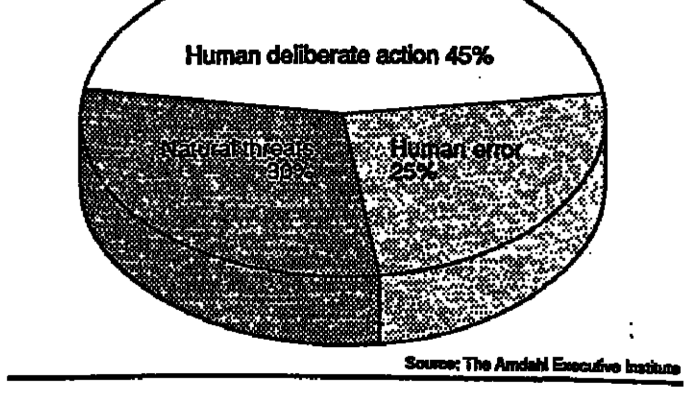
The report indicates three important tasks:

- Identify the principal threats and front line defences.
- Prepare contingency plans and disaster procedures for activating the plans.
- Test, review and update the plans regularly.

Above all, Butler Cox emphasises, senior management should not make the cardinal error of believing it can leave computer disaster planning to data processing management.

The full report is available gratis from the AEI, Dogmersfield Park, Hartley Wintney, Hampshire. Tel: 0252 346346.

Cases of data centre disasters



Source: The Amdahl Executive Institute

R&D fingers in several pies

David Fishlock on how to acquire research from various sources

European industry is depending too heavily on in-house research and development. That is the view of Sergio Barabaschi, deputy general manager and chief technologist of Ansaldo, the Italian engineering group. He is a member of a working party drawn from 44 companies, including British Telecom, ICI, Krupp, Thomson, and Unilever.

Barabaschi argues that new products and processes are getting more complex, and need more enabling technologies to come together. He believes innovative companies should be "assembling" technologies drawn from various sources, just one of which could be in-house R&D.

The working party was set up last spring by the European Industrial Research Management Association, a Paris-based club of more than 200 European research-based companies. EIRMA gave it the task of investigating how companies can best acquire and assimilate advanced technology for the development of new products and processes.

The working party set out to model the process of acquiring technology by studying two different types of industry: companies that assembled sub-systems made elsewhere to form a product, as the aircraft and motor car industries do; and companies that manufactured a total product, as the chemical and pharmaceutical companies do.

It found big differences between the two. The product companies tended to generate their technology in house. The assemblers used technology generated by sub-system contractors. "A lot of the technology comes from suppliers who may well be two or three levels down," says John Hollington, technical director of the aerospace and defence systems division of Smiths Industries, and chairman of the working party.

Profound technical changes can take place at these levels, however. An example might be an advance in miniaturisation that leads to more sophisticated control and flight management techniques for aircraft. It raises difficult questions of precisely what core technologies the assembler should concern himself with, and what core technologies he should leave to his suppliers.

Other industries where this trend applies include road vehicles, ships, domestic appliances, consumer electronics and construction. The dominant principle is defined as "design and integrate."

Whole product and process makers, in contrast, are often concerned with their product or process at a much finer level of structure, on the nanometre or even molecular scale. The process and its manufacturing technology is often developed in house, but it may require manufacturing equipment with a large R&D content that has been developed by a supplier.

Industries where this trend applies includes bulk and speciality chemicals, biotechnology, glassmaking, semiconductor components, and food processing. The principle is defined as "design and make".

The working party has identified several reasons why technology is important to companies:

- Maintaining the competitiveness of a product.
- Helping a company diversify.
- Expanding market share.
- Countering legislation that is forcing a change in process or product.
- Combatting environmental worries.
- Permitting recycling of materials.
- Meeting new standards.
- Reducing energy consumption.
- Accommodating a new political perception.

Where a company acquires new technology depends on many factors, including its own traditions and culture, for example whether it has built-in resistance to ideas from elsewhere, the not-invented-here (NIH) factor.

Options include outright purchase of the technology or of the company which owns it; licensed access; sponsored developments through a research contract; and the joint venture.

How does a company know when it needs new technology? Declining sales or falling market share are the obvious indicators, although they may come too late. A technical audit can show whether the company is using the best available technology in manufacture. Market intelligence – including simply keeping close to the opinions of existing customers – can provide first clues of a technological threat.

COMMODITIES AND AGRICULTURE

Weather worries cloud Soviet harvest hopes

A GOOD grain crop is ripening in the fields of the Soviet Union but the harvest will be hampered by weather and organisational problems, a senior Soviet agriculture official said on Wednesday, reports Reuters from Moscow.

"We have to carry out one of the most difficult harvests of the last few years," said Mr Mikhail Timoshishin, first deputy chairman of the Commission for Food and Procurement, which is effectively the agriculture ministry.

He said in an interview in Pravda, the Communist Party daily newspaper, that a quarter of the country's combine harvesters were out of action because of a lack of spare parts.

Weather, both good and bad, has also caused problems. Grain is normally harvested after the crops that are used to make animal fodder, but favourable weather has ripened it early. And recent rains have knocked grain flat on the ground.

"Owing to weather conditions, the grain harvest has begun when the laying-in of fodder has not yet ended. Grain has been flattened. In southern regions, several crops have ripened at the same time," he said.

Western diplomats said this appeared to mean that good weather had itself been a problem, by bringing on crops faster than expected and straining manpower and equipment resources.

A fuel shortage had also forced the Government to allocate 1m tonnes of oil to agriculture from state reserves.

Soviet farmers are still reluctant to sell grain to the Government for hard currency, according to the mass-circulation newspaper Argumenty i Fakty, writes Quentin Peel in Moscow.

In 1989, hard currency purchases of grain totalled only 223,000 tonnes, or less than 1 per cent of Soviet grain imports, according to a senior official of the Russian Federation statistics office.

Only 5 per cent of farmers in the huge Russian Federation, took advantage of the scheme, introduced last summer to boost production and cut imports. The slow take-up was blamed on the low price – only about $85, or about half what the Soviet Union pays for its imports; lack of access to foreign markets in which to spend the currency; and the red tape involved.

New Zealand prepares for difficult wool season

Dai Hayward examines the problems being carried forward from the season that has just finished

A DARK cloud hangs over the New Zealand new wool season which began last Sunday.

Prices fell steadily throughout the past season, ending at around $NZ5.15 (£1.73) a kilogram – well below the season's average of $6.25. That, in turn, was 10 per cent below the $6.88-a-kilogram average for the previous season. But even this depressed price was higher than those achieved at the closing sales.

Over the season, prices slipped from their opening level of about $6.90 to $6.20, then plunged during the closing months to just above $5. This was despite the Wool Board spending $3m buying wool at the auctions in an attempt to maintain price levels and give growers a decent income.

As a result, the New Zealand stockpile more than quadrupled – from 100,000 bales to 450,000 bales. This means 55,000 tonnes of New Zealand, mainly coarse, wool is sitting in stores around the country. At the last sale of the season on June 28, the Board bought 74 per cent of the wool offered for sale.

There are three main reasons for the falling market:

● The huge over-production in Australia and the Australian government intervention to force a 20 per cent drop in the Australian floor price. Although Australia and New Zealand produce mainly different types of wool, used for different purposes, the depressed Australian situation spilt over to New Zealand.

Australian wool is fine wool used for garment manufacture. New Zealand produces mainly coarse wool which goes into carpet-making. Theoretically the two markets should be almost separate with any oversupply or lower prices in one not affecting the other. In practice, this does not happen and falling prices for Australian fine wool have dragged New Zealand prices down with them.

● The second depressing factor was the continued absence of China from the buying ring. Just two years ago, China was a major customer for New Zealand wool, buying 63,000 tonnes. This fell to 15,000 tonnes last season and in the first 10 months of the season just ended it ordered only 12,994 tonnes.

● The third depressant was the Soviet Union's economic and foreign exchange problem. When wool payments were delayed, New Zealand exporters stopped shipment of remaining orders. This caused a cash-flow problem for many New Zealand exporters who curtailed their buying.

Although prices will certainly be depressed at the early-season sales, the Wool Board is optimistic that demand and prices will improve over the coming months.

Its market analysts are confident that China has passed through the worst of its economic problems. They expect a gradual increase in Chinese orders although the increase will not be spectacular because the Chinese economy is still on a tight rein.

The Board points out that the amount of wool added to the stockpile during the past season was almost exactly equivalent to the reduction in the amount purchased by the Chinese.

Payment from Moscow resumed in June. For 20 years, the Soviet Union has been New Zealand's most consistent buyer and its officials have stressed that they wish to continue trading with New Zealand at the same high level.

The level of Soviet buying in coming months will depend on the availability of foreign exchange but, again, there is optimism that orders will be regular.

The Soviets were acutely embarrassed at their payment problems and some credit, either through the New Zealand government or banks, may be necessary to maintain Soviet wool-buying at its former high level.

Iran is expected to be a bigger buyer this year. In the ten months to April, it took only 4,276 tonnes but there are now signs of increased demand from Iranian buyers.

In the UK, New Zealand wool faces increased competition from European wools, where production is stimulated by EC subsidies.

Most New Zealand wool shipped to the UK goes into carpet-making and the domestic economic situation has reduced consumer-demand. UK orders for New Zealand wool declined during the past season and it is one of the few major markets where future buying prospects are likely to decline even further.

Some substantial orders are expected from Japan quite early in the season. It is believed Japanese manufacturers were almost out of stock as they held back hoping for a drop in the Australian price. They will need to rebuild stocks and will require New Zealand wool for some of this.

The Wool Board has substantial financial reserves and credit. In the past it has maintained its buying and support policies in the face of strong adverse pressures. It has made it clear it intends to continue doing so in the new season – although it will have to let prices slide below last season's level. Wool growers have already been warned to budget for lower incomes. Just how much lower – and for how long - depends largely on factors outside New Zealand's control.

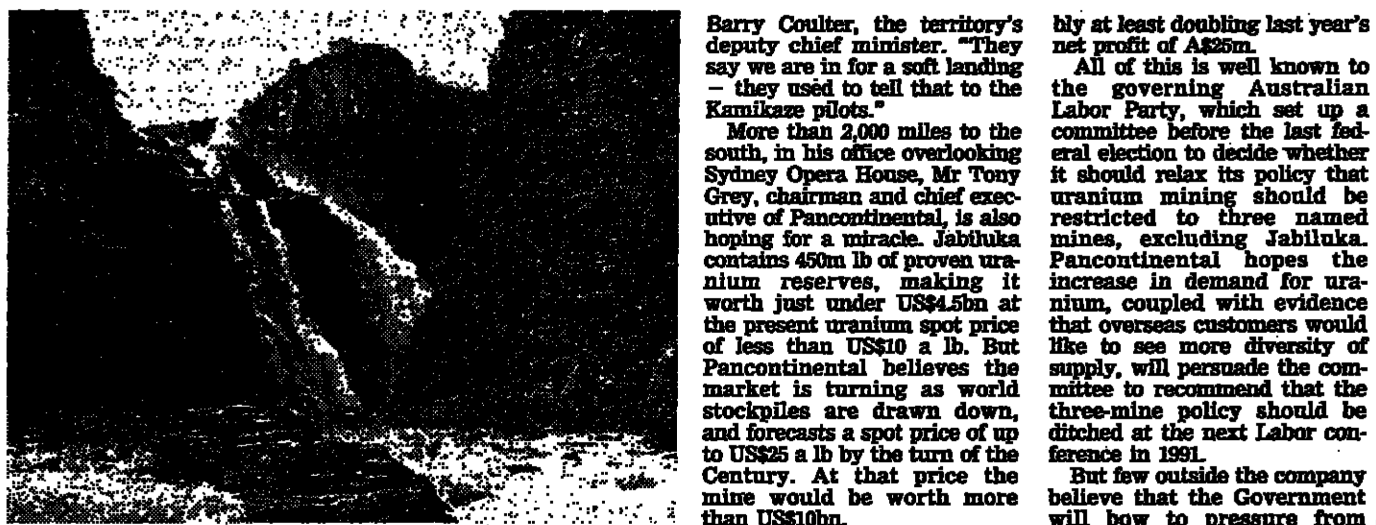
Aborigines pin their hopes on uranium

Kevin Brown on a mine project that could save the Gagdju people of Alligator River

THREE HOURS' drive south-east of Darwin, deep in the sparsely-populated scrub of Australia's Northern Territory, Big Bill Neidjie is hoping for a miracle. In the 1920s, when Bill was born in Alawanydajawany, on the East Alligator River, many of the local Gagadju people still lived a semi-nomadic, hunter-gatherer existence not unlike the life of their ancestors of 40,000 years ago.

Seventy years later, Bill is one of Australia's best known aborigines, author (with white co-writers) of two books of aboriginal philosophy and a leader of the remaining aborigines of the Alligator River area. But his fame has not has not made him rich, or even comfortable. Like many of his people, he lives in a ramshackle hut down a dirt road that is a dust bowl in the dry season and a swamp in the wet. He shares his camp with a pack of flea-bitten dogs, a fat black pig who may be saved from the pot by his friendly disposition and a satellite television dish which does not work. The 250,000 tourists who visited Bill's country last year know it as part of the Kakadu national park, heavily promoted in Australia and abroad as one of the remaining natural wonders of the world.

Millions more know it as the site of the Australian scenes in the Crocodile Dundee films, where the hunter Mick Dundee and his aboriginal friends ran rings around a slow-witted bunch of American gangsters. The park is part of the 45 per cent of the Northern Territory which is now owned by the aboriginal population, although it is run by the federal parks and wildlife service.



Environmental safeguards are promised to protect watercourses

But few Gagadju people live the traditional life any more. For one thing, there is little left to hunt. Wallaby are still plentiful, as are goanna. But kangaroo are rarely seen and many of the big fish have been driven off by the South American salvinia weed that clogs many waterways – a legacy of someone's fish tank emptied into the river. Most of the water buffalo have been slaughtered to prevent the spread of disease into cattle.

Big Bill says he fears his people are dying out. But he sees a last hope in an unlikely quarter - an A$80bn uranium deposit at Jabiluka, on land owned by the Gagadju but leased to Sydney-based Pancontinental Mining. Isolated as he is, Bill knows it will take a miracle to overcome the strict government restrictions on uranium mining which have thwarted development of Jabiluka since its discovery in 1971. But he thinks royalties from the mine would transform the living standards of local people, providing decent homes and vehicles, and helping to break the cycle of despair which he believes is destroying them. He has the support of both the Northern Land Council, the federal organisation which is responsible for aboriginals in the Kakadu, and the Northern Territory Government, which sees mining as a key way of reversing Australia's relative economic decline.

"This country is in a nose dive on full throttle, " says Mr Barry Coulter, the territory's deputy chief minister. "They say we are in for a soft landing – they used to tell that to the Kamikaze pilots."

More than 2,000 miles to the south, in his office overlooking Sydney Opera House, Mr Tony Grey, chairman and chief executive of Pancontinental, is also hoping for a miracle. Jabiluka contains 450m lb of proven uranium reserves, making it worth just under US$4.5bn at the present uranium spot price of less than US$10 a lb. But Pancontinental believes the market is turning as world stockpiles are drawn down, and forecasts a spot price of up to US$25 a lb by the turn of the Century. At that price the mine would be worth more than US$10bn.

The company's plan is to buy out a 35 per cent stake in Jabiluka held by Texaco, and then sell all or part of the stake to long-term customers who would provide some of the A$300m needed to develop the mine. "This is a resource of enormous economic significance, not only to us but to the country as a whole. It would produce very large amounts of uranium and hundreds of millions of dollars of export revenue well into the next century," says Mr Grey.

He promises extensive environmental safeguards to protect the Kakadu watercourses from radiation pollution, and points out that 4. 5 per cent of sales revenue would go to aboriginals, either directly or through the federal government. He also says the mine would transform Pancontinental's business prospects, probably at least doubling last year's net profit of A$25m.

All of this is well known to the governing Australian Labor Party, which set up a committee before the last federal election to decide whether it should relax its policy that uranium mining should be restricted to three named mines, excluding Jabiluka. Pancontinental hopes the increase in demand for uranium, coupled with evidence that overseas customers would like to see more diversity of supply, will persuade the committee to recommend that the three-mine policy should be ditched at the next Labor conference in 1991.

But few outside the company believe that the Government will bow to pressure from either the mining companies or the aborigines on an issue regarded by Labor's environmental and anti-nuclear activists as an article of faith.

"Getting the three mine policy relaxed is very important to Pancontinental, but the Government is going to be very careful about offending the Green vote with something as emotive as uranium, especially since the post-election analysis shows it was green votes that won the election for Labor," says Mr David Rubin, mining analysts for Barclays de Zoete Wedd.

Meanwhile Big Bill waits for the politicians to make up their minds, hoping that word will come before tribal life disintegrates completely. "Fish him all gone, buffalo him all gone. If no mine, aboriginal people all gone. Government don't care," he says.

Record demand forecast for three metals

By David Blackwell

WESTERN CONSUMPTION of copper, aluminium and lead is expected to reach record levels this year, W.I. Carr, the London broker, predicts in its half-yearly review of the base metals markets.

At the same time supply pipelines for most base metals remain severely stretched, and production problems should now be considered endemic to the industry. World stock levels of refined metal are already critically low and "close to the minimum requirements to guarantee regular deliveries."

Carr puts copper consumption at 8.74m tonnes this year, compared with total supplies (including imports from the Communist world) of 8.775m tonnes. It predicts an average price for copper this year of 110 cents a lb, compared with last year's average of 129.2.

Recent production difficulties in Zaire and Canada have highlighted the extremely finely balanced position of the copper market, the report says.

Aluminium consumption this year is expected to be 14.72m tonnes, compared with total supplies of 14.88m tonnes.

However, the broker is revising downwards its average price prediction for 1990 to 76 cents a lb from a previous estimate of 82 cents a lb because of the "disappointing" first half, with weak consumption in the US, and "the spectre of increased Brazilian exports."

In contrast Carr has revised its forecast for the lead price upwards to 34 cents a lb from 26 cents a lb. Consumption is put at 4.36m tonnes and total supplies at 4.34m tonnes.

EC battle looms over Mediterranean fisheries

By Tim Dickson in Brussels

THE FIRST seeds of what promises to be a fierce political battle over the future of the European Community's fishing policy were sewn yesterday when Mr Manuel Marin, the EC Fish Commissioner, set out his preliminary ideas for conserving Mediterranean stocks.

Introducing a discussion paper now formally approved by the Brussels executive, Mr Marin called for an immediate freeze in the region's fishing effort and announced his intention to set up a new licencing system for Mediterranean boats.

This long promised initiative – delayed as a result of internal Commission squabbles – has been prompted by the urgent need to curb overfishing in these waters and by the fact that the Mediterranean is not covered by the system of Total Allowable Catches and national quotas applicable in the northern part of the Community.

TACs and quotas are considered impractical in the south not only because fishermen tend to catch several species at a time but because fish are landed at a large number of small Mediterranean ports, and would therefore be difficult to control.

At the same time, however, the view is gaining currency in Brussels that the fundamental structure of the Common Fisheries Policy – the subject in any case of a review by 1992 – needs to be reworked. TACs and quotas, say senior EC officials, have too often been open to political manipulation by member states and have signally failed to solve the twin problems of overcapacity and declining stocks.

Yesterday's document – which will form the basis of formal proposals for the Mediterranean later in the year – is therefore viewed with suspicion by some Governments as a "hidden agenda" for CFP reform. Many will be reluctant to give up any of the existing instruments or indeed cede responsibility to Brussels in the way implied by Community licences. Others, however, might be attracted by shifting the blame for the restructuring which faces the fishing industry in the years ahead.

WORLD COMMODITIES PRICES

MARKET REPORT

London robusta coffee prices rose again yesterday as the ICO agreement to hold talks on the future of the international agreement later this month continued to bolster sentiment, offsetting the influence of firmer sterling. On the bullion market gold added a further $1 per troy ounce – dealers said there were signs of renewed confidence following the recent rally from last month's four-year low, but overhead resistance at $363 and then $365 should restrict the potential for further short-term gains. US markets were closed for Independence Day.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$13.60-3.70w	-0.10
Brent Blend	$15.95-6.00w	-0.05
W.T.I. (1 pm est)	$16.82-6.84w	
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$231-233	
Gas Oil	$144-145	-1
Heavy Fuel Oil	$63-64	+0.5
Naphtha	$143-145	
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$362.5	+1.0
Silver (per troy oz)♣	494c	-3
Platinum (per troy oz)	$489.50	+2.5
Palladium (per troy oz)	$117.5	+1.5
Aluminium (free market)	$1525	
Copper (US Producer)	119c	
Lead (US Producer)	49c	
Nickel (free market)	400c	
Tin (Kuala Lumpur market)	16.05r	-0.01
Tin (New York)	282c	
Zinc (US Prime Western)	87.5c	
Cattle (live weight)†	105.96p	+2.47*
Sheep (dead weight)†	162.79p	+14.6*
Pigs (live weight)†	96.95p	-3.12*
London daily sugar (raw)	$326.3t	+0.2
London daily sugar (white)	$411.0t	-1.0
Tate and Lyle export price	£285	-1.5
Barley (English feed)	£109	
Maize (US No. 3 yellow)	£157.5	
Wheat (US Dark Northern)	£120	
Rubber (Aug)♥	53.25p	-0.25
Rubber (Sep)♥	53.75p	-0.25
Rubber (KL RSS No 1 Jul)	233.0m	
Coconut oil (Philippines)§	$320z	
Palm Oil (Malaysian)§	$290	
Copra (Philippines)§	$215	
Soyabeans (US)	£162t	-1
Cotton "A" Index	82.50c	+0.50
Wooltops (64s Super)	480p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Jul. t-Jul/Aug. u-Oct/Dec v-Jun/Jul. w-Aug z-Aug/Sep y-Sep. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)						Total daily turnover lots
Cash	1536-8	1526-7	1524	1524-5		
3 months	1564-5	1554-5	1569/1550	1554-5	1563-4	44,630 lots
Copper, Grade A (£ per tonne)						Total daily turnover lots
Cash	1478-80	1486-8	1479/1477	1478-9		
3 months	1445-6	1458-60	1448/1442	1444-5	1446-8	81,206 lots
Lead (£ per tonne)						Total daily turnover lots
Cash	494-6	508-8.5		501-1.5		
3 months	498-8.5	508-9	505/497	501-1.5	499-500	10,341 lots
Nickel ($ per tonne)						Total daily turnover lots
Cash	8580-600	8650-75		8570-600		
3 months	8600-20	8625-50	8625/8580	8580-600	8600-10	8,702 lots
Tin ($ per tonne)						Total daily turnover lots
Cash	5985-6000	6015-30	6015/6006	6006-7		
3 months	6110-20	6140-50	6160/6110	6130-40	6110-20	5,057 lots
Zinc, Special High Grade ($ per tonne)						Total daily turnover lots
Cash	1658-65	1690-3	1682/1655	1655-60		
3 months	1615-20	1620-1	1623/1609	1613-4	1615-20	19,018 lots

LME Closing £/$ rate: SPOT: 1.7865 3 months: 1.7567 6 months: 1.7264 9 months: 1.7070

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
Aug	299.00	298.40	299.00 297.00
Oct	296.20	295.00	296.20 293.80
Dec	298.00	300.00	292.60
Mar	281.00	280.00	281.20 278.40
Oct	275.00	276.00	275.00 273.00
White	**Close**	**Previous**	**High/Low**
Aug	395.0	398.5	399.0 394.0
Oct	369.0	370.0	369.0 367.5
Dec	361.0	362.5	363.0 360.0
Mar	358.0	358.0	359.5 357.5
May	355.5	354.0	356.5
Aug	355.0	354.5	356.0

Turnover: Raw 1307 (3573)lots of 50 tonnes. White 875 (1393)
Paris- White (FFr per tonne): Aug 2165, Oct 2015 Dec 2000, Mar 2000, May 1995

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
Aug	15.99	15.98	16.01 15.95
Sep	16.29	16.37	16.31 16.27
IPE Index	16.06	16.34	

Turnover: 3116 (10709)

GAS OIL – IPE $/tonne

	Latest	Previous	High/Low
Jul	143.75	144.00	144.50 143.75
Aug	144.75	145.25	145.25 144.50
Sep	146.25	146.75	146.75 146.00
Oct	149.25	150.25	150.00 149.00
Nov	151.25	152.00	152.50 151.25
Dec	153.25	154.00	154.00 152.75
Feb	150.00	151.50	150.00
Mar	146.00	144.00	146.00 145.75

Turnover 3966 (6236)lots of 100 tonnes

WOOL
Sales are in recess, the Australian season having been the most disastrous on record; leaving the Australian Wool Corporation with a stockpile nudging 3m bales. Price lists are of little relevance in an industry experiencing extreme difficulty in arriving at a workable trading basis. Business done by Bradford topmakers is restricted to small weights for quick delivery whether for domestic or overseas outlets, with nobody prerared to introduce any element of forward trading in view of the depressed background.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
Jul	782	779	786 776
Sep	804	805	809 798
Dec	829	829	833 824
Mar	854	852	857 851
May	873	872	877 867
Jul	893	894	894 888
Sep	913	914	910

Turnover: 4743 (6297) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Jul 3 1041.46 (1019.20) 10 day average for Jul 4 999.65 (995.65)

COFFEE – London FOX £/tonne

	Close	Previous	High/Low
Jul	564	549	566 555
Sep	592	575	594 581
Nov	613	597	612 601
Jan	631	618	632 622
Mar	648	637	649 642
May	669	656	665 661

turnover: 3483 (4949) lots of 5 tonnes
ICO indicator prices (US cents per pound) for July 3: Comp. daily 66.16 (67.01). 15 day average 66.40 (68.59)

POTATOES – BFE £/tonne

	Close	Previous	High/Low
Nov	80.0		78.0 76.0
Feb	100.0		101.5
Apr	104.0	106.5	104.3 103.0
May	116.2		117.0 116.0

Turnover (267) lots of 40 tonnes.

SOYABEAN MEAL – BFE £/tonne

	Close	Previous	High/Low
Aug	117.50		117.50
Oct	120.00	120.00	120.00

Turnover 10 (13) lots of 20 tonnes.

FREIGHT FUTURES – BFE $10/index point

	Close	Previous	High/Low
Jul	1026	1005	1025 998
Aug	1030	1003	1020 996
Oct	1121	1093	1121 1098
Jan	1140	1120	1140 1130
Apr	1140	1124	1140
BFI	1073	1075	

Turnover 331 (191)

GRAINS – BFE £/tonne

Wheat	Close	Previous	High/Low
Sep	112.60	112.30	112.60 112.20
Nov	116.25	116.35	116.25 116.10
Jan	120.25	120.35	120.25
May	127.15	127.15	127.00
Barley	**Close**	**Previous**	**High/Low**
Sep	110.50	110.50	110.60 110.25
Nov	114.70	114.85	114.60
Jan	118.00		118.00

Turnover: Wheat 150 (106). Barley 44 (53).
Turnover lots of 100 tonnes.

PIGS – BFE (Cash Settlement) p/kg

	Close	Previous	High/Low
Aug	119.5		119.0 118.0
Sep	116.0	115.0	115.0
Oct	116.0	116.0	115.0
Nov	115.0	114.4	114.0

Turnover 53 (41) lots of 3,250 kg

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	362¼-362¾	202¼-203¼
Opening	362-362½	202¾-203¼
Morning fix	361.25	201.962
Afternoon fix	362.50	202.650
Day's high	362¼-362¾	
Day's low	360¾-361¼	
Coins	**$ price**	**£ equivalent**
Mapleleaf	366-373	206-209
Britannia	366-373	206-209
US Eagle	369-373	206-209
Angel	366-373	206-209
Krugerrand	362-365	202½-204½
New Sov.	86-88	48-49½
Old Sov.	86-88	48-49½
Noble Plat	495.35-503.20	277.35-281.75
Silver fix	**p/fine oz**	**US cts equiv**
Spot	276.10	493.50
3 months	289.60	504.00
6 months	296.55	514.15
12 months	316.40	536.00

TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Sep	Nov	Sep	Nov
1450	115	129	6	14
1550	45	65	34	46
1650	11	26	986	104
Copper (Grade A)	**Calls**		**Puts**	
2450	154	119	31	94
2550	92	76	67	148
2650	49	46	123	215
Coffee	**Sep**	**Nov**	**Sep**	**Nov**
550	53	79	11	17
600	24	49	32	37
650	9	29	67	67
Cocoa	**Sep**	**Dec**	**Sep**	**Dec**
750	71	111	17	33
800	41	81	37	53
850	22	58	68	80
Brent Crude	**Aug**	**Sep**	**Aug**	**Sep**
1550	62	30	35	30
1600	25		31	

INDICES

REUTERS (Base: September 18 1931 = 100)			
Jul 4	Jul 3	mnth ago	yr ago
1866.7	1856.0	1889.4	1895.5

DOW JONES (Base: Dec. 31 1974 = 100)	Jul 3	Jul 2	mnth ago	yr ago
Spot	133.90	133.20	132.99	132.92
Futures	134.10	133.39	132.71	130.61

Jamaica seeks foothold in aluminium smelting industry

Canute James on a joint venture plan to process Jamaican raw material using Trinidadian natural gas

FOLLOWING THE start of a significant expansion of its bauxite refining capacity, Jamaica, the world's third largest producer of the ore, is seeking a foothold in the aluminium smelting industry. Mr Hugh Small, the island's Mining Minister, said Jamaica and Trinidad and Tobago were proposing the construction of a smelter in Trinidad. The plant, he said, could be fired by Trinidadian natural gas and fed by Jamaican alumina (aluminium oxide).

The project was a revision of an effort of 15 years ago which was not implemented, Mr Small said. "It is now thought by the two countries that the conditions are more advantageous for the success of this joint venture," the Minister said.

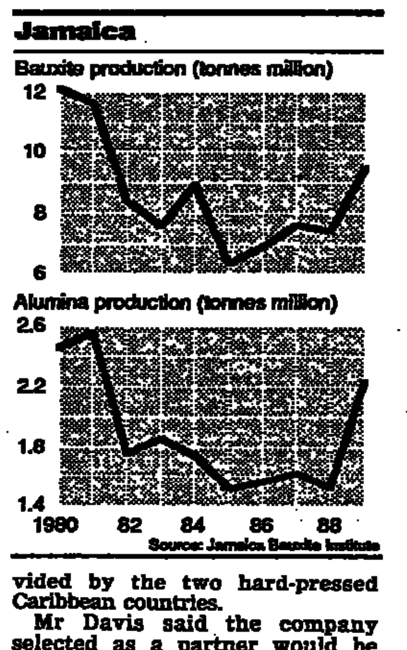
Government officials say a plant with a capacity of 200,000 tonnes a year and costing about $1bn is being contemplated. Mr Carlton Davis, executive chairman of the Jamaica Bauxite Institute, said the viability of the proposed smelter was aided by the fact that it is based on the exploitation of natural resources in the two countries.

"Trinidad and Tobago has abundant reserves of natural gas, so that will deal with the problem of the availability of energy," Mr Davis explained. "The alumina to feed the plant is easily available from Jamaica which is close to Trinidad. The basic infrastructure in already in place in the sites in Trinidad which are being considered as a location for the smelter. In addition to this, Trinidad is close to the major market in the United States."

Trinidad and Tobago has proven reserves of natural gas of 17 trillion (million million) cubic feet which, at current usage, can last another 60 years.

Although the project is being initiated by the two governments, they want to be minority partners and intend to seek the participation and support of one or more of the aluminium majors from North America, Europe or the Far East, offering them majority interest. The project will depend on the availability of financing, which could not be provided by the two hard-pressed Caribbean countries.

Jamaica



Mr Davis said the company selected as a partner would be expected to provide some funding, but that several other sources would be studied. Two of the more promising are the Japanese overseas development agency, and a facility created by the Government of Puerto Rico to finance industrial and commercial developments in some Caribbean countries. Both Jamaica and Trinidad and Tobago qualify for access to the Puerto Rican facility.

If the smelter is constructed, there will be little problem in finding the alumina it will need. Work has started in Jamaica to expand a refinery owned jointly by the Government and the Aluminum Company of America, from its current rated capacity of 800,000 to 1m tonnes a year.

Kaiser and Hydro Aluminum, which own the largest refinery on the island, are planning to increase its output from the current level of 1m to 1.5m tonnes a year. Mr Small said, however, that there were some issues that had to be agreed with the companies before the additional capacity was installed.

"One is to determine the amount, location and quality of bauxite reserves that will be required to support the plant for a resonable number of years," the Minister said. "Another, to which we attach great importance, is to ensure that the expansion is undertaken with due regard to the environment."

But the industry believes the feasibility of expanding of the plant, expected to cost about $90m, will depend also on improving energy efficiency. "Some work will have to be done on this because today's oil prices and alumina prices, which have contributed to the refinery's viability, are unlikely to continue indefinitely," said one industry analyst.

The Jamaican Government and Alcan are expected to have decided by November whether they will construct a greenfield refinery in northern Jamaica. The project is now being studied and, if approved, will have a capacity of 1m tonnes a year and cost about $1bn.

Mr Small said the Government was also studying proposals for the reopening of bauxite mines which were closed five years ago by a subsidiary of Reynolds Metals. "Since bauxite is plant specific, we have to examine each proposal to ensure that, before a determination can be made, the bauxite can be processed somewhere and in sufficient volumes to justify the expenditure," the Minister said. The rehabilitation and reopening of the mines will cost about $30m.

There were indications last year that the Virgin Islands Alumina Company, a refinery owned by a subsidiary of Marc Rich, the commodity trader, was interested in using ore from the mines. Local officials said the refinery was now being fed by ore from other sources. Jamaica's bauxite output last year was 9.4m tonnes, with alumina production of 2.14m tonnes. Mr Davis said he expected ore production this year to reach 11m tonnes, with refinery output at 2.7m tonnes.

LONDON STOCK EXCHANGE

Share prices hit by worry over profits

THE WORSENING outlook for some UK corporate profits, emphasised for exporting companies by a further gain in sterling, and also a downgrading of brokerage forecasts for yet more companies on the FT-SE list brought widespread falls in UK equities yesterday. Turnover was moderate but the losses were suffered mostly in the big-name stocks, which lacked support from a Wall Street market closed for Independence Day.

Equities opened lower and the Footsie Index extended its fall as a somewhat rattled market was faced with a batch of fairly small rights issues. The recent spate of downgradings of profits forecasts from leading securities houses has caught up with a stockmarket also beginning to measure the implications for Britain's exporters of a rise of around 10 per cent in sterling against the German mark since the beginning of the year.

Account Dealing Dates		
First Dealings:		
Jun 25	Jul 9	Jul 23
Option Declarations:		
Jul 5	Jul 19	Aug 2
Last Dealings:		
Jul 6	Jul 20	Aug 3
Account Day:		
Jul 16	Jul 30	Aug 13

*New-time dealings may take place from 8.30 am two business days earlier.

There were losses for many stocks regarded as vulnerable to currency factors, with RMC and GKN notably weak. A further blow came when the market responded to downgradings by the brokerage community of profit forecasts for RTZ and also P&O.

"These downgrades underline that the re-rating of the profits outlook is now spreading to the big, mainline companies," commented Mr Jack Jones at UBS Phillips & Drew.

The equity market was not helped by an early fall in the Footsie September contract to its estimated fair value level, which predicts a merely routine rise in the underlying index, in line with expected dividend payments. However, the futures contract rallied later in the day.

At its lowest point, at mid-morning, the FT-SE Index was 19 points down at 2,352.7, and many strategists were relieved, at least temporarily, to see the market rally at this point. Mr Robin Aspinall of Hoare Govett warned clients to "watch out for that breach of Footsie 2,350. Then watch 2,300." He believes that funds entering the UK are merely building up a large pool of liquidity in the money market: "That is dangerous."

Despite the gloom, turnover was not unduly threatening. Seaq volume of 353m shares showed a significant fall from Tuesday's total of 449.9m. The absence of Wall Street clearly left the international blue chips lacking major players.

There were some notable exceptions to the general trend. Bank stocks, which were among the first to suffer from downgradings from the brokers, held steadier than the rest of the market. Midland moved ahead on renewed hints in the market that the expected merger with Hongkong and Shanghai Banking Corporation will be in place by the end of this year.

Some other banking stocks also managed to edge ahead although buying support was very modest.

FINANCIAL TIMES STOCK INDICES

	July 4	July 3	July 2	June 29	June 28	Year Ago	1990 High	1990 Low	Since Compilation High	Since Compilation Low
Government Secs	79.34	79.39	79.80	79.97	79.89	85.72	84.20 (2/1)	74.13 (30/4)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	88.06	88.05	88.19	88.22	88.19	96.52	92.91 (8/1)	83.80 (30/4)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary Share	1881.1	1894.7	1896.6	1899.9	1887.8	1798.0	1968.3 (3/1)	1653.6 (30/4)	2008.6 (5/9/89)	49.4 (26/6/40)
Gold Mines	183.4	181.3	182.6	176.8	176.1	199.1	378.6 (8/2)	167.9 (15/6)	734.7 (15/2/83)	43.5 (26/10/71)
FT-SE 100 Share	2356.5	2371.7	2372.0	2374.6	2355.7	2162.9	2463.7 (3/1)	2103.4 (30/4)	2463.7 (3/1/90)	986.9 (23/7/84)

	July 4	July 3	July 2	June 29	June 28	Year Ago
Ord. Div. Yield	4.93	4.88	4.88	4.87	4.91	4.47
Earning Yld %(full)	10.87	10.78	10.76	10.75	10.83	10.52
P/E Ratio(Net)(☆)	11.15	11.24	11.26	11.27	11.19	11.47
SEAQ Bargns 4.45pm	21,517	23,823	22,505	23,861	22,288	19,615
Equity Turnover(£m)†	-	786.74	563.07	783.76	781.42	958.05
Equity Bargains†	-	23,810	22,342	22,587	21,924	22,880
Shares Traded (ml)†	-	417.4	283.9	343.3	373.2	346.9

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928. Ordinary 1/7/35, Gold mines 12/9/55. Basis 1000 FT-SE 100 31/12/83. ☆ Nil 11.03

Ordinary Share Index, Hourly changes — Day's High 1890.8 — Day's Low 1879.0

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
1890.8	1888.8	1884.5	1880.0	1882.1	1881.0	1879.1	1880.3	1880.7

FT-SE, Hourly changes — Day's High 2366.8 — Day's Low 2352.7

Open	9 am	10 am	11 am	12 pm	1 pm	2 pm	3 pm	4 pm
2366.8	2364.3	2357.4	2353.4	2355.8	2355.0	2353.8	2354.9	2355.3

GILT EDGED ACTIVITY

Indices*	July 3	July 2
Gilt Edged Bargains	101.0	92.2
5–Day average	89.6	100.8

*SE Activity 1974.
†Excluding intra-market business & Overseas turnover.

London report and latest Share index: Tel. 0898 123001.

Analysts re-rating hits RTZ

A significant downgrading of brokerage profit forecasts for RTZ yesterday followed the round of meetings between the board and City analysts to assess the outcome of the first half of the year.

A downgrading by UBS Phillips & Drew was inspired by a "very gloomy" in-depth meeting with the board on Tuesday, said Mr Jack Jones, P&D's analyst in the stock of the mining and industrial group. The RTZ directors are increasingly disturbed by the likely impact of currency factors as well as by harder times in several key sectors.

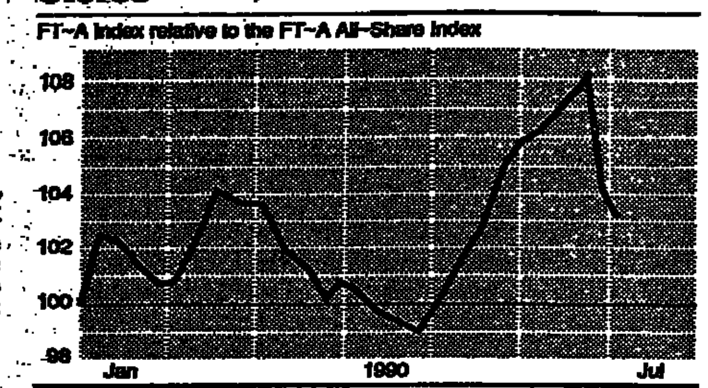
Following the meeting, Mr Jones, who has been bearish on RTZ for some time, once again sharply reduced his profit forecast for this year – from £580m to only £545m – predicting a fall of 7.6 per cent on the previous year.

Also downrating the stock yesterday was BZW's Mr Alan Richards, now looking for £550m. However, he expects RTZ's dividend growth to continue, supported by strong organic growth. He regards any further fall in the share price as a buying opportunity, a view also held by Mr Chris Steel of County NatWest who is holding this year's RTZ forecast unchanged at £555m.

The shares came back by 22 to 542p as investors factored in the implications of lower profits for RTZ's share earnings in the wake of this year's rights issue of 114m new shares.

Stores

FT~A Index relative to the FT~A All-Share Index



The stores sector steadied after several grim days. Much of the decline came as euphoria over the sterling's likely entry into the ERM diminished. With this week's proposed acquistion of US jeweller Kays, by Ratners, the list of analysts' favourites has dwindled to just two: Marks and Spencer and Body Shop. Even the latter suffered a reverse this week after revealing a poor take-up to its rights issue. The shares recovered yesterday, however, to a level above that before the rights news came out.

Midland advances

Midland Bank easily outperformed the rest of a dismally quiet banking sector on a revival of stories that the long-mooted merger between Midland and its 14.9 per cent shareholder, Hongkong & Shanghai Banking Corporation, would be completed before the end of the year. Midland and Hongkong Banking have been quietly combining various parts of their businesses in recent months. At the close Midland were 6 higher at 295p, after 296p; turnover came out at a pretty miserable 579,000 shares.

Mr Mike Fesemeyer, banks analyst at the Daiwa Institute of Research, said there may be the potential for 25 per cent upside in Midland shares over the next few months because of its attractions to a number of predators.

He considered that the Bank of England would favour a strong parent for Midland and that Midland offers a comprehensive and potentially very profitable UK domestic banking operation. The Daiwa analyst came up with a take-out price of 400p on a net asset value basis and on potential profits.

P & O hurt

An early seller of P & O had already taken several pence off the shares when James Capel cut its profits forecast for the company. The shares weakened quickly, showing a decline of 26 at one point, and closed at 628p, a net fall of 21. Trading was brisk: 3.8m shares changing hands by the close.

Ms Yasmin Harrison of James Capel left this year's profit forecast unchanged but cut next year's from £425m to £404m. She said that the main problem in 1991 was that the rate of property sales was falling and that capital expenditure on the cruise and container shipping was rising. She said the combination would hurt cash flow and increase interest charges. "Any recovery is pushed out to late 1992," said Ms Harrison.

There was a further setback in Hawker Siddeley, down 31 at 621p for a loss of nearly 7 per cent over the past two days as the market has reacted to hints that a substantial line of stock is hanging over the dealing desks.

Monument Oil & Gas, a firm market in recent weeks following a handful of brokers' buy recommendations, fell away to close 3¾ lower at 42½p after news that the oil company is merging its oil and gas interests with those of Nimex Resources, which has a 40 per cent stake in Monument and intends seeking a full listing and raising £28m via a rights issue. Monument is currently quoted on London's Unlisted Securities Market.

Ultramar moved further ahead after a recommendation from one of the big UK investment houses, which focused on increasing refining margins on the west coast of America and the good news from the Morcambe Bay gas prospect, was countered by a bearish view taken by another. The shares settled a net 4 up at 345p but turnover remained very poor at 734,000.

Some specialists remained unhappy at immediate prospects for crude oil prices. "The pre-meeting meetings between OPEC members are said to be not going well and the odds don't favour an agreed outcome on production quotas etc – crude prices and the oil sector still do not fully reflect this uncertainty," said one analyst.

In the insurance broking area of the market, Hogg Group, formerly Hogg Robinson Gardner Mountain, lost 5 to 175p after surprising the market by launching a rights issue to raise £14.6m. The issue, one-for-five at 150p, will be used to reduce borrowings, said Hogg.

Composite insurers, and particularly Royal Insurance, remained in the limelight. Boosted substantially on Tuesday by the rights issue news concerning Aachener und Munchener, Royal's 20 per cent owned associate, Royal announced yesterday it is pulling out of the Massachusetts personal automobile insurance market, in which it had lost on average some $10m a year. Royal said it had a 1.8 per cent market share in Massachusetts. "An improvement in current market condition is unlikely to occur in the near future," Royal said. Shares fell to 488p before steadying and ending the session a fraction up at 495p.

Sun Alliance gave up 5 to 337p with 1.7m shares changing hands. A downgrading of Guardian Royal by one of the top US investment banks left the shares 4 lower at 233p.

Worries over what a strengthening sterling might do to the value of overseas earnings hit international stocks. Reckitt and Colman shed 29 to 1,265p; Unilever fell 13 to 697p; Glaxo eased 12 to 815p; and ICI gave up 7 to 1,145p.

STC, the electronics group, attracted keen interest and closed at 263p after a report that Fujitsu, the Japanese computer manufacturer, planned to raise Y100bn in the Tokyo bond market over the next few days. Fujitsu has long been regarded as a potential joint venture partner for ICL, STC's computer subsidiary.

Greene King, the East Anglian brewer of IPA and Abbot Ale, lost 10 to 370p after revealing final figures at the low end of the range of analysts' expectations. Greene King's profits were 4.9 per cent higher at £20.1m. In March, Elders IXL, the Australian brewer, sold its 13 per cent stake in the company.

Allied Lyons fell 6 to 498p ahead of the company's annual meeting today.

A.B. Foods continued to advance strongly as dealers speculated about the possibility of it eventually bidding for Berisford International's sugar interests. A bid by A.B. Foods would have a stronger chance than Tate & Lyle of clearing any regulatory hurdles, analysts said. A.B. Foods would also be expected to drive a hard bargain, and any acquisition should enhance earnings. A.B. Foods closed 4 higher at 407p having traded 379,000 shares with income funds said to be buyers of stock.

Berisford traded nervously before its interim results today. The market will be looking carefully at the scale of provisions against its US property interests. According to recent press reports the provisions could be as much as £165m. Berisford was unchanged at 91p. Tate & Lyle was a penny firmer at 307p, with sentiment still positive after it withdrew from a possible bid for Berisford.

Asda was heavily traded and it closed 3 higher at 117p on a turnover of 4.4m shares. Volume was boosted by a 1m block of shares said to have been purchased at 116p. Budgens added 2 at 62p as the companies' commitment to maintain its final dividend made its yield attractive to investors. Shoprite eased 3 to 159p after it warned profits would not rise in the second half.

Vickers held firm against the market's wider weakness as County NatWest WoodMac issued a bullish comment on the stock. Mr Pete Deighton at County edged his profit forecast for the year £2m higher to £95m, citing good sales from its Rolls-Royce luxury car operation. Even the depressed UK and US market were 19 per cent up on a year ago, he said, and the rest of the world – largely West Germany and Japan – had shown a 52 per cent improvement. The shares closed unchanged at 234p and Mr Deighton recommended buying the stock on a six month time scale.

Saatchi and Saatchi managed a penny rise to 85p against the trend. It announced the sale of Gartner Group, one of its US management consultancies, to Information Partners, a US investment fund, for $70m (£39m). The sale had been expected but traders said the company seemed to be gaining direction.

Traders said soccer's World Cup was behind strong performances from television contractors and games-maker J Waddington. The prospect of guaranteed eight figures audiences underpinned Central TV, 13 higher at 713p, and HTV, up 3 at 112p, after peaking at 114p.

Mr John Doree at Hoare Govett cut profit forecasts for both Laporte and Foseco. The former would make £122m rather than £125m, he said, as a result of a firm sterling and weak chemical and construction market in the UK and US. The stock was on a 10 per cent premium to the market and investors should take profits.

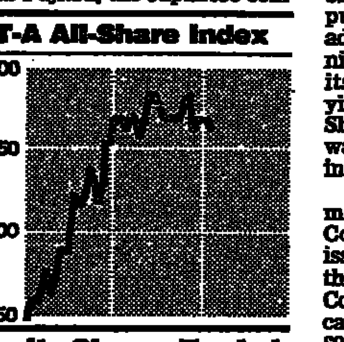
The Foseco downgrading was sharper: from £46½m to £41m for the year. Efforts by Brazil to curb inflation meant the company would make no money there – normally the country contributes 10 per cent of Foseco's profits. The shares had fallen in recent weeks, however, and investors should hold the stock for the 8½ per cent yield, said Mr Doree.

Speyhawk rose 20 to 240p as speculation revived that Nordstjernan, the Swedish property group which holds 5 per cent, was about to make a full bid for the UK property company.

Water shares staged a strong run towards the close of the session, boosted by buyers seeking to strip out the dividends; the ten water stocks go ex the dividends on July 16. The Package advanced 40 to £1,598, while Anglian and Yorkshire were the best of the individual stocks, closing up 4¼ apiece at 165½p and 166½p respectively.

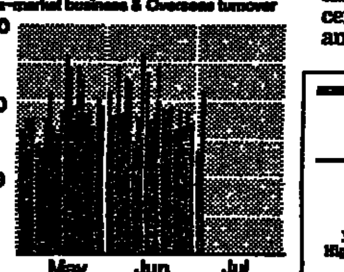
■ Other Market statistics, including the FT-Actuaries share index, Page 21

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)
Excluding:
Intra-market business & Overseas turnover



TRADING VOLUME IN MAJOR STOCKS

Stock	Volume 000's	Closing Price	Day's change
ADT	2,500	177	−2
ASDA Group	4,400	117	+3
Abbey National	887	209	−2
Allied–Lyons	791	498	−6
Amstrad	330	70	−1
Anglian Water	408	165	+4
Argos	294	231	+1
Argyll Group	726	246	−1
Ass. Brit. Foods	379	407	+4
[illegible]			
Blue Circle	524	238	−4
Boots	1,400	295	+2
Brit. Aerospace	2,900	922	−7
British Airways	480	219	−2
British Gas	4,200	228½	+½
British Land	1,200	327	+9
BP	3,300	318	−½
British Steel	5,700	141	−1½
British Telecom	5,100	306	−3
Benzi	634	93	
Burmah Oil	175	849	+2
Burton	5,200	108	+1
Cable & Wire.	1,100	553	−6
Cadburys	970	380	−1
Calor Group	822	253	−1
Carlton Comms.	298	690	
Coats Viyella	1,700	129	−2
Comm. Union	382	509	−1
Cookson	585	198	−9
Courtaulds	312	354	−6
Dalgety	118	378	−1
Dixons	258	144	
ECC Group	973	408	−4
Enterprise Oil	95	630	−1
FKI	186	73	−1
Ferranti	485	35½	−1½
Fisons	1,000	370	−3
Gen. Accident	302	1125	−14
[illegible]			
Hanson	4,800	232½	−1½
Hanson Warrants	136	57	−1
Harrisons Crosfield	414	173	−2
Hawker Sidd.	394	623	−6
Hillsdown	1,100	280	+1
IMI	433	258	−1
ICI	685	1145	−7
Inchcape	17	285	−3
Kingfisher	847	342	+1
Ladbroke	1,900	326	−5
Land Securities	2,000	534	−1
Laporte	37	565	−15
Legal & General	1,100	421	−3
Lloyds Abbey	250	325	−1
Lloyds Bank	387	281	+1
LASMO	681	408	−1
Lonrho	3,500	288	−2
Lucas	1,000	164	−3
MB Group	2,300	212	−1
MEPC	368	622	+3
Manpower	20	63	
Marks & Spencer	2,100	236	−1
Maxwell Comms.	2,100	183	+1
Mecca Leisure	2,000	87	−1
Midland Bank	834	295	+6
NatWest Bank	771	320	
Next	2,900	47	+3
North West Water	862	169½	+2½
[illegible]			
Racal Telecom	85	359	−5
Rank Org.	300	847	−10
Reckitt & Colman	442	1265	−29
Redland	436	610	−2
Reed Intl.	1,300	428	−4
Reuters	284	1276	−9
Rolls Royce	3,300	224	−3
Rothmans	90	764	+5
Ryl Bk Scotland	616	171	−3
Royal Insurance	736	495	+1
STC	2,200	263	
Saatchi	438	85	+1
Sainsbury	153	293	−1
Scottish & New.	147	340	
Sears	1,300	99	
Sedgwick	459	245	−1
Severn Trent Water	528	143½	+5½
Shell Transport	1,200	454	+1
Siebe	742	480	−5
Slough Ests	1,500	294	−7
Smith (W.H.) A	381	343	
Smith & Nephew	2,100	113	−2½
SmKl Beecham	358	543	−2
SmKl Beecham Units	3	2515	−28
Smiths Inds.	658	224	−2
South West Water	599	176	+2
Southern Water	32	145	
Standard Chartd.	14	459	−3
[illegible]			
THORN EMI	[illegible]	[illegible]	[illegible]
Trafalgar House	[illegible]	[illegible]	[illegible]
Trusthouse Forte	[illegible]	[illegible]	[illegible]
Ultramar	[illegible]	[illegible]	[illegible]
Unigate	[illegible]	[illegible]	[illegible]
Unilever	[illegible]	[illegible]	[illegible]
United Biscuits	[illegible]	[illegible]	[illegible]
Utd. Newspapers	[illegible]	[illegible]	[illegible]
Water Package Uts.	[illegible]	[illegible]	[illegible]
Wellcome	[illegible]	[illegible]	[illegible]
Welsh Water	[illegible]	[illegible]	[illegible]
Wessex Water	[illegible]	[illegible]	[illegible]
Whitbread 'A'	[illegible]	[illegible]	[illegible]
Williams Hldgs.	[illegible]	[illegible]	[illegible]
Willis Faber	[illegible]	[illegible]	[illegible]
Wimpey	[illegible]	[illegible]	[illegible]
Yorkshire Water	[illegible]	[illegible]	[illegible]

Based on trading volume for most Alpha securities dealt through the SEAQ system yesterday until 4.30pm.

NEW HIGHS AND LOWS FOR 1990

NEW HIGHS (46).
BRITISH FUNDS (2) BUILDINGS (4) CHEMICALS (3) STORES (2) ELECTRICALS (3) ENGINEERING (1) FOODS (3) INDUSTRIALS (9) Amer. Business Systems, Astra, CRT, Carbo, Darby, Proudfoot (A), Sanders & Sidney, Shanks & McEwan, TT, INSURANCE (1) LEISURE (1) NEWSPAPERS (2) PAPERS (1) TEXTILES (2) TRUSTS (3) OILS (1).
NEW LOWS (74).
AMERICANS (3) CANADIANS (4) BREWERS (1) BUILDINGS (3) CHEMICALS (8) STORES (3) ELECTRICALS (1) ENGINEERING (1) INDUSTRIALS (5) Aukett Assocs., Cannon Street Invs., Cowan de Groot, Storngard, Waterman Partnership, INSURANCE (5) LEISURE (1) MOTORS (1) NEWSPAPERS (1) PAPERS (1) PROPERTY (8) TRANSPORT (4) TRUSTS (12) OILS (2) MINES (7) THIRD MARKET (1).

APPOINTMENTS

■ KIDDER, PEABODY INTERNATIONAL, London, has appointed as senior vice presidents Mr Mike Anderson, European mergers and acquisitions, and Mr Greg Egen, direct equity investments in Europe. Mr Egen was with Continental Bank.

■ CATER ALLEN has appointed Mr Nicholas H.D. Ryder to the board, with responsibility for commercial activities. He has been with the company since January 1983.

■ TRADE INDEMNITY GROUP has appointed Mr Jason Frangoulis as a non-executive director. He is a director of General Accident Fire and Life Assurance Corporation.

■ S. DANIELS has appointed Mr Geoffrey Alan Kluman to its board. He was managing director of his family company, Kluman & Balter, which was acquired by S. Daniels in 1988.

■ Mr Anthony Cross has been appointed company secretary of BRENT WALKER BREWERIES and its subsidiary companies. He was company secretary with British Mining consultants.

■ PRESSAC HOLDINGS, Nottingham, has appointed Mr Alfred Vaisey as finance director from August 1. He is finance director of Lloyds Chemist.

Midland Montagu moves

Mr Sencar Toker *(left)* moves to managing director, Europe, at MIDLAND MONTAGU, international and investment banking arm of Midland Group. He was managing director, international banking. Mr Stewart Gager *(centre)*, managing director, risk management, becomes managing director, developing countries and US. Mr Charles Bryant *(right)*, managing director, planning and support, is made managing director, international banking services. Mr David Thornham has been appointed head of corporate banking and a managing director of Midland Montagu. He is succeeded as group risk management and audit director by Mr David McLachlan. Mr Rodney Bass, head of group risk management, takes over from Mr McLachlan as director, credit and risk. Mr Ernest Cole has been appointed managing director of Samuel Montagu & Co, part of Midland Montagu, and Mr Charles Hanbury-Williams and Mr Trevor Botham become executive directors. Mr Mark Ramsey becomes a director of Midland Montagu.

■ ASSOCIATION OF BRITISH INSURERS has appointed Mr Michael Pickard as chairman of the life insurance council, and Mr Brian Richardson as deputy chairman. Mr Pickard also becomes a deputy chairman of the ABI. He is chairman, Royal London Mutual Insurance Society, and Mr Richardson is director and general manager, Provident Mutual Life Assurance Association.

■ THE SCOTTICH MUTUAL ASSURANCE SOCIETY has promoted Mr Ian Gilmour, a pensions manager, to assistant general manager, client services division. Mr Tom Edmond has been appointed European development manager, marketing and sales division. He joins from Murray Johnstone.

■ Mr Luke Borwick has been appointed president and managing director of R.R. DONNELLEY (U.K.), London, a subsidiary of R.R. Donnelley & Sons Co, Chicago. He was managing director, security print division, Thomas De La Rue and Co.

■ BROWN SHIPLEY ASSET MANAGEMENT has appointed Mr John Hawker, Mr John Cornes and Mr Patrick Evershed as directors.

■ Mr Peter Bijur will become president of TEXACO EUROPE when Mr Paul Hicks retires on November 1. Mr Bijur continues as chairman of London-based Texaco Ltd.

■ JOHNSON & FIRTH BROWN has appointed Mr David Hall and Mr George Hardie as joint group managing directors.

■ CAIRD ENVIRONMENTAL has appointed Mr David Wilcox as human resources director. He was director of personnel, Redland Roof Tiles.

■ TARMAC CONSTRUCTION has appointed Mr Stuart Doughty as executive director of the international division. He continues as the company's board member on the Channel Tunnel builders' consortium TML.

More appointments page 12.

LONDON SHARE SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

1990 High	1990 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
99⅜	97½	Treas. 8pc Cv 1990 ‡‡	99¾		8.03	–
98⅛	96½	Treas. 10pcCv 1990	98¼		10.14	14.14
96½	93¼	Exch 2½pc 1990	96¼	+⅛	2.58	11.10
98½	97½	Treas 11¾pc 1991	98½xd		11.91	14.34
95⅞	92⅞	Funding 5¾pc '87-91‡‡	95⅛		6.03	12.27
93½	89¼	Treas. 3pc 1991	93⅛		3.21	10.84
97⅞	94	Treas 10pc Cv '91 ‡‡	97⅞xd		10.31	13.21
97⅞	94	Exch. 11pc 1991	97¼	–⅛	11.32	13.40
93⅝	90⅜	Treas. 8pc 1991	93⅛		8.56	13.13
101½	97⅛	Treas 12¾pc 1992‡‡	99⅜		12.79	12.96
96	92¼	Treas 10pc 1992	95¼		10.46	13.04
92⅜	89¼	Treas. 8pc 1992 ‡‡	92⅛		8.65	12.80
97⅝	93⅛	Treas 10¼pc Cv 1992‡‡	96¼		10.92	12.83
87⅜	82⅞	Treas. 3pc 1992	87⅝	–⅛	3.42	10.04
100⅜	95⅜	Exch. 12¼pc '92	98⅜		12.39	12.85
104	98⅞	Exch 13½pc 1992	101¼		13.32	12.68
91½	86¼	Treas 8¼pc 1993	90⅛	–⅛	9.08	12.32
96⅝	90¾	Treas 10pc 1993‡‡	94⅝		10.58	12.36
103⅛	96⅛	Treas 12½pc 1993‡‡	100⅜xd	–⅛	12.45	12.29
86⅛	82	Funding 6pc 1993‡‡	86	–⅛	6.98	11.34
107⅜	99¾	Treas. 13¾pc 1993‡‡	103⅜	–⅛	13.23	12.19
91	84¾	Treas. 8½pc 1994	89⅛	–⅛	9.51	12.23
111⅛	102⅞	Treas 14½pc 1994‡‡	106⅜	–⅛	13.56	12.01
107⅛	99⅛	Exch 13½pc 1994	103⅝	–⅛	13.01	12.17
96⅝	88⅞	Treas. 10pc Ln. 1994‡‡	93⅝	–⅛	10.66	12.01
104½	96⅞	Exch. 12½pc 1994	101	–⅛	12.38	12.16
92½	85	Treas 9pc 1994‡‡	89⅝	–⅛	10.02	12.05

Five to Fifteen Years

[illegible]

Over Fifteen Years

[illegible]

Undated

[illegible]

BRITISH FUNDS—Contd

Index-Linked

1990 High	1990 Low	Stock (b)	Price £	+ or −	(1)	(2)
116¾	110¼	Tr. 2pc '92‡‡(97.8)	116¾	+⅛	4.76	6.32
108⅜	103¼	Do. 2 '94(102.9)	108⅛		3.97	4.65
159⅜	150⅛	Do. 2pc '96(67.9)	159⅜	+⅛	3.77	4.20
131⅝	123⅛	Do 2½pc '01(78.3)	129⅜	+⅛	4.22	4.49
128⅜	119⅞	Do. 2½pc '03(78.8)	126⅜	+⅛	7.22	4.46
131⅜	122	Do. 2pc '06(69.5)	128⅛xd	+⅛	4.20	4.40
123⅛	113⅛	Do. 2½pc '09(78.8)	119⅜	+⅛	4.15	4.33
128⅛	117⅝	Do. 2½pc '11(74.6)	124⅛	+⅛	4.10	4.27
107⅛	97⅝	Do. 2½pc '13(89.2)	103⅛	+⅛	4.05	4.20
115⅛	105⅜	Do. 2½pc '16(81.6)	111⅞	+⅛	3.98	4.13
119½	102⅛	Do. 2½pc '20(83.0)	108¼	+⅛	3.93	4.06
95⅜	86⅛	Do. 2½pc '24 ‡‡(97.7)	91⅞xd	+⅛	3.85	3.97

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for October 1989: 117.5 and for May 1990: 126.2.

INT. BANK AND O'SEAS

1990 High	1990 Low	Stock	Price £	+ or −	Yield Int.	Yield Red.
100⅛	84⅜	African Dv Bk 11¼Ln 2010	91⅜	–⅛	12.17	12.22
96⅜	80⅛	Asian Dev Bk 10¼pcLn2009	88¼	+⅛	11.64	11.83
110½	94⅛	Int-Am Dev Bk 12½pc 2003	101⅜		12.28	12.21
91¼	76⅛	Do. 9¾pcLn 2015	83		11.75	11.86
90½	79½	Mlysia 10¾pcLn 2009	85xd		12.65	12.88
110	109	Utd. Mexican States 16½pc 2008	109		15.14	14.90

CORPORATION LOANS

[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS

Building Societies

[illegible]

Public Board and Ind.

[illegible]

FOREIGN BONDS & RAILS

[illegible]

AMERICANS

[illegible]

AMERICANS—Contd

1990 High	1990 Low	Stock	Price £	+ or −
21⅞	13¼	Chase Manhattan $12½	13½xd	
19¼	14	Chem. Banking Corpn	14¼	–⅛
12½	8⅞	Chrysler $6¼	8⅞xd	
18¼	12⅜	Citicorp $1	12⅜xd	
39⅜	31⅛	Colgate-Palmolive $1	39⅛	+⅜
12¼	818p	Cont'l Bank Corp $4	818p	–19
268p	120p	♦Corporate Data Scnce	220p	
22⅞	18½	Dana Corp. $1	20⅞xd	–⅛
768p	510p	Data General	629p	–17
29⅞	25⅛	Dun & Bradstreet $1	26¼	–⅛
37⅛	29⅛	Eaton Corpn. 50c	35¼	–⅛
10⅛	7⅛	Echlin Inc	7⅞xd	+⅛
22⅛	17⅛	FPL Group 1c	17⅛xd	–⅛
29⅛	21⅛	Fluor Corp 62½pc	25⅛	+⅛
30⅛	24⅛	Ford Motor $2	25⅛	
41⅛	36⅛	Gen. Elect. 63c	39⅛	
441p	304p	♦General Host Corp $1	342p	–28
34⅞	25⅛	Gillette $1	34⅛	–⅛
315p	111p	Gt American Bank Bk $1	188p	+5
20⅛	15	Greyhound Dial $1½	16⅛xd	+⅛
12⅛	10	Hasbro Inc 50c		
60⅛	46⅛	Honeywell $1½	57⅛	+⅛
21⅛	18⅛	Houston Inds.	18⅛	–⅛
74	57⅛	IBM Corpn $1¼	66⅛xd	
50p	21p	♦Image Storage/R.Sys. Ic	21p	
35⅛	27⅛	Ingersoll-Rand $2	32⅛xd	+⅛
25⅛	18⅛	Lockheed Crpn. $1	18⅛xd	–⅛
11⅛	7⅛	Lone Star Inds $1	7⅛	
28	23⅛	Louisiana Land 15c	23⅛xd	+⅛
29	15⅛	Lowe's 50c	26⅛	–1⅛
22⅛	16⅛	Manuf. Hanover $1	19⅛	–⅛
16⅛	12⅛	Merrill Lynch $1	12⅛	–⅛
28⅛	21⅛	Molex Inc	25p	–⅛
27⅛	20	Morgan (JP) $2½	20⅛xd	
27⅛	21⅛	Morris (Philip)	26⅛xd	
56⅛	44⅛	NYNEX $1	46⅛	–⅛
19p	5p	N'wide Legal Serv.	6p	+1
21⅛	18⅛	PHH Corp.	19⅛	–⅛
195p	155p	♦Pacific Agr.	166p	
14⅛	11⅛	Pacificorp $3⅛	11⅛	–⅛
31⅛	24⅛	Pacific Telesis 10c	24⅛	–⅛
22⅛	18⅛	Pall Corp. 25c	19⅛	
55⅛	40⅛	Pennzoil $3 1/3c	42⅛xd	–⅛
35⅛	26⅛	Quaker Oats $5	26⅛xd	–⅛
[illegible]				

CANADIANS

[illegible]

Continued on next page

LONDON SHARE SERVICE

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-2128

BANKS, HP & LEASING

1990 High	Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
303	209	ANZ SA1	223	.....	44c	1.4	8.9	8.0
214	172	Abbey National 10p	209	–2	5.7	4.3	3.6	8.5
*274	210	Allied Irish Ord	224	–1	Q40%	3.3	4.2	9.6
£13¾	£11¼	Algemene Fl.10	£11¾	–⅛	Q28%	2.1	7.8	6.0
85	63	Anglo Irish	69	+3	hQ18.7%	2.7	6.5	9.3
83	68	Ansbacher (H.) 1p	82	.....	2.5	1.3	4.1	23.6
£71½	£54½	Bancaire Cie Fr100	£61½	–½	hQ12¼%	–	2.1	–
£22¼	£16⅝	Banco Bilbao Viz	£19¼	.....	Q49.1%	2.7	4.4	12.5
£31	£24½	Banco de Santander	£28½	.....	Q25%	2.4	4.0	10.5
286	224	Bank Ireland IR£1	244	–2	Q14.7%	2.9	5.7	8.1
£19½	£18	Bank Leumi	£19½	.....	–	–	–	–
350	320	Bank Leumi (U.K.)	345	.....	†13.5	–	4.9	–
125	104	Bank Scotland	118	.....	4.55	3.3	5.1	7.8
100¾	83¾	Do. 9¼pc Irrd Pf	95½	+½	9¼%	–	12.9	–
54	39	Bank of Wales	52	.....	2.8	0.8	7.2	25.0
428	352	Barclays £1	387	–2	h19.57	3.5	6.7	5.4
22	12	Benchmark 20p	14	.....	1.63	1.0	15.5	8.0
335	310	Brown Shipley £1	313	.....	12.0	2.2	5.1	10.1
*435	341	Cater Allen £1	366	–8	N24.5	♦	8.9	♦
179	114	Chancery	114	.....	9.0	2.7	10.5	4.6
£23¼	£18¾	Commerzbk DM10	£19¾	+¼	Q18%	–	3.3	–
£13½	842	Dai Ichi KBk Y50	901	+16	Q17%	♦	0.4	♦
*£33	£261	Deutsche Bk DM50	£278¾	+1½	Q28%	–	1.8	–
£20¾	£18½	Espirito Santo	£18½	.....	Q75c	5.1	2.4	–
253	183	First Nat. Fin. 10p	200	+1	13.0	2.4	8.9	6.0
121	96	FNFC 6.3pc Cv. Pf	100	–1	6.3%	–	8.4	–
£13½	968	Fuji Bank Y50	978	–15	Q17%	♦	0.3	♦
325	262	Gerrard & National	296	–7	19.0	♦	8.6	♦
154	122	Guinness Mahon 10p	122	.....	2.1	–	2.3	–
328	223	Hambros 20p	272	+2	11.5	–	5.6	–
128	93	Do. 7.5pc Cv Pf	114	.....	7½%	–	8.8	–
53½	42	HK & Shang. HK$2.50	43	–½	hQ38c	–	6.7	–
478	458	Joseph (Leo) £1	463	.....	15.85	–	4.6	–
150	126	King & Shaxson 20p	143	+1	10.25	♦	9.6	♦
[illegible]								

Hire Purchase, Leasing, etc.

[illegible]

BEERS, WINES & SPIRITS

[illegible]

BUILDING, TIMBER, ROADS

[illegible]

BUILDING, TIMBER, ROADS – Contd

[illegible]

CHEMICALS, PLASTICS

[illegible]

DRAPERY AND STORES

[illegible]

ELECTRICALS

[illegible]

ELECTRICALS – Contd

[illegible]

ENGINEERING

[illegible]

ENGINEERING – Contd

[illegible]

FOOD, GROCERIES, ETC

[illegible]

HOTELS AND CATERERS

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

INDUSTRIALS (Miscel.) – Contd

[illegible]

INDUSTRIALS (Miscel.) – Contd.

[illegible]

INSURANCES

[illegible]

LEISURE

[illegible]

MOTORS, AIRCRAFT TRADES

[illegible]

Commercial Vehicles

[illegible]

LONDON SHARE SERVICE

● Latest Share Prices are available on FT Cityline. To obtain your free Share Code Booklet ring the FT Cityline help desk on 071-925-2128

MOTORS, AIRCRAFT TRADES – Contd

Components

[illegible]

Garages and Distributors

[illegible]

NEWSPAPERS, PUBLISHERS

[illegible]

PAPER, PRINTING, ADVERTISING

[illegible]

PROPERTY

[illegible]

PROPERTY – Contd

[illegible]

SHOES AND LEATHER

[illegible]

SOUTH AFRICANS

[illegible]

TEXTILES

[illegible]

TOBACCOS

[illegible]

TRANSPORT

[illegible]

INVESTMENT TRUST

[illegible]

INVESTMENT TRUST – Contd

[illegible]

INVESTMENT TRUST – Contd

[illegible]

Net asset values supplied by County NatWest Wood Mackenzie

FINANCE, LAND, ETC

[illegible]

WATER

[illegible]

OIL AND GAS

[illegible]

OIL AND GAS – Contd

1990 High	1990 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's	P/E
£22¼	£18½	Hamilton Oil Corp.	£19½	+½	Q10c	–	0.3	–
210	162	Hardy Oil & Gas 50p	176	–2	–	–	–	17.0
138	120	Intl Pet Crpn.	123	–2	–	–	–	–
27	15½	KCA Drilling 1p	17½	+½	–	–	–	●
35	11½	Kelt Energy 10p	19	.....	–	–	–	–
60	18	Do. 6pc Cv. Prf.	24	+3	6%	–	33.3	–
148	111	Kingston Oil & Gas 50p	121	–2	a1.11	4.5	1.2	19.4
425	360	LASMO	408	–1	h7.5	1.6	2.5	29.7

[illegible]

OVERSEAS TRADERS

[illegible]

PLANTATIONS

Rubbers, Palm Oil

[illegible]

Teas

[illegible]

MINES

Central Rand

[illegible]

Eastern Rand

[illegible]

Far West Rand

[illegible]

O.F.S.

[illegible]

Diamond and Platinum

[illegible]

Central African

[illegible]

Finance

[illegible]

Australians

[illegible]

Tins

[illegible]

MINES – Contd

Miscellaneous

1990 High	1990 Low	Stock	Price	+ or –	Div Net	C'vr	Y'ld Gr's
190	105	Anglesey Mining 9p	116	+4	–	–	–
110	28	Do. Warrants	38	+10	–	–	–
17	11¼	Anglo-Dominion	12	–¼	–	–	–

[illegible]

THIRD MARKET

[illegible]

18	13	Vizcaya Hldgs 5p	13	.....	–	–	–
5½	3¼	Wilton Group 1p	3¼	–¼	–	–	●

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: α Alpha, β Beta, γ Gamma.

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm –) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ● "Tap Stock"
- * Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ♥ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♣ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially listed.
- ‡ Price at time of suspension
- ¶ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- ♣ Not comparable
- ♠ Same interim; reduced final and/or reduced earnings indicated
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ☆ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ‖ No par value

B.Fr. Belgian Francs. Fr. French Francs §§ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1988-89. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1990. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989-90. P Figures based on prospectus or other official estimates for 1987. Q Gross. R Forecast annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or –
Craig & Rose £1 γ	830xd	......
Finlay Pkg. 5p γ	53	......
Holt (Jos) 25p γ	1310	......
Carrol (P.J.) γ	126	+1
Hall (R. & H.)	165	......
Heiton Hldgs. γ	75	–5
IRG	208	......
United Drug	160	......

IRISH

Stock	Price	+ or –
Cap. 8½% Ln. 1991	£98¼	......
9pc Cap Ln. 1996	£96¼	–⅛
Fin. 13% 97/02	£114	......
Arnotts	192	......

TRADITIONAL OPTIONS

3-month call rates

Industrials	p
Allied-Lyons	40
Amstrad	7
Astec (BSR)	6
BAT	62
BOC Grp.	48
BTR	37
Barclays	34
Blue Circle	21
Boots	24
Bowaters	40
Brit Aerospace	47
British Steel	13
Brit. Telecom	25
Cadburys	38
Charter Cons.	42
Comm Union	41
Courtaulds	29
Eurotunnel	55
FKI	7
FNFC	20
Gen Accident	93
GEC	18
Glaxo	68
Grand Met	53
Guardian	20
GKN	33
Hanson	20
Hawker Sidd	53
ICI	99
Ladbroke	27
Legal & Gen	34
Lex Service	28
Lloyds Bank	25
Lucas Inds	13
Marks & Spencer	19
Midland Bk	24
Nat West Bk	30
P & O Dfd	52
Polly Peck	39
Racal Elect	19
RHM	30
Rank Org Ord	70
Reed Intnl	38
STC	21
Sears	9
SmKl. Beecham A	48
TI	39
TSB	11
Tesco	19
Thorn EMI	62
Trust Houses	24
T&N	18
Unilever	58
Vickers	19
Wellcome	57

Property	p
Brit Land	32
Control Secs	4
Land Securities	45
MEPC	45
Mountleigh	13

Oils	p
Aviva Petlm	5
Brit Petroleum	28
Burmah Oil	55
Conroy Petlm	10
Gaelic Res	3½
Premier	9
Shell	40
Tuskar Res	5½
Ultramar	31

Mines	p
Lonrho	21
RTZ	50

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £1050 per annum for each security.

FT MANAGED FUNDS SERVICE

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

AUTHORISED UNIT TRUSTS

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Abbey Unit Tst Mngrs (1000)H						
80 Holdenhurst Rd, Bournemouth 0345 717373						
High Income						
American Income	6	49.27	49.87	53.05	-0.46	5.16
Gilts & Fixed Int	6	104.9	104.9xd	111.3	+0.1	9.88
High Inc Equity	6	135.3	135.3xd	144.7	-0.5	4.39
Worldwide Bond	6	186.5	186.5	197.8	-1.5	6.52
Capital Growth						
American Growth	6	184.6	186.4	198.2	-1.2	1.18
Asian Pacific	6	137.2	140.1	149.0	-2	0.00
Assets & Earnings	6	159.0	162.7	173.0	-0.9	2.80
Capital Reserve Acc	0	93.46	93.46	93.67	-0.12	7.62
Capital Reserve Inc	0	78.56	78.56	78.72	-0.11	7.62
Comdty & Energy	6	89.91	92.14	98.02	-0.91	0.00
Dividend & Growth	6	47.13	48.21xd	51.28	-0.3	4.39
1992 Enterprise	6	63.02	64.38	68.48	-0.23	1.96
Euro Capital Acc	6	103.1	104.5	111.1	-0.5	0.89
Euro Capital Inc	6	98.95	100.3	106.7	-0.4	0.89
General	6	178.1	181.7	193.2	-0.7	2.59
International	6	60.29	61.08	64.97	-0.18	0.77
Japan	6	100.8	101.6	108.0	+0.6	0.00
Mastertrust	6	89.49	89.49	95.71	-0.37	1.55
UK Growth Acc	6	176.6	184.1	195.8	-1.2	2.53
UK Growth Dist	6	115.4	120.3	127.9	-0.8	2.53
US Emerging Cos	6	58.35	59.81	63.62	-0.38	0.00
Income & Growth	6	304.0	310.8	330.6	-2	3.10
Ethical	6	47.83	49.02xd	52.14	-0.18	1.92
Abtrust Management Ltd (1200)H						
10 Queens Terrace, Aberdeen AB9 1QJ 0800 833580						
Amer Inc & Growth	5¼	31.57	31.68	33.81	-0.22	2.34
European	5¼	91.96	92.08	98.20	+0.31	0.00
European Income	5¼	88.34	88.34xd	94.23	-0.47	1.38

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Brown Shipley & Co Ltd—Contd.						
North American	6	62.29	62.29	66.40	+0.05	0.28
Orient ‡	6	117.0	117.0	125.0	.....	-
Recovery	6	43.37	43.37xd	46.19	-0.26	3.02
Smaller Cos Acc	6	248.6	248.6	264.8	-0.60	-
Smaller Cos Inc	6	152.3	152.3	162.2	-0.30	1.28
Brycourt Unit Tst Mgmt Ltd (1400)F						
Hesketh Hse, Portman Sq, W1H 0JR 071-935 6382						
Income Growth	1	193.5	193.5	200.5	.....	6.59
Buckmaster Mangmt Co Ltd (1200)H						
15 St Botolph Street, London EC3A 7JJ 071-247 4542						
Emerging Gwth	5¼	61.00	61.00	64.66	-0.27	3.30
(Accum Units)	5¼	63.16	63.16	66.95	-0.28	3.30
Fellowship Tst	5¼	63.43	63.43	68.02	-0.27	3.06
(Accum Units)	5¼	66.32	66.85	71.12	-0.27	3.06
General Inc	5¼	293.5	297.3	316.3	-3.4	3.62
(Accum Units)	5¼	510.9	517.5	550.6	-5.9	3.62
Income	5¼	160.6	163.1	173.6	-2.2	3.83
(Accum Units)	5¼	326.0	331.0	352.2	-4.5	3.83
International	5¼	99.90	99.90	105.9	-1.0	1.00
(Accum Units)	5¼	138.0	138.0	146.3	-1.4	1.00
Smaller Co's	5¼	101.6	103.4	110.1	-0.1	2.03
(Accum Units)	5¼	113.9	115.9	123.4	-0.1	2.03
Inv Portfolio	3	55.70	55.70	57.65	-0.50	2.48
(Accum Units)	3	58.40	58.40	60.44	-0.52	2.48
High Income Port	3	47.06	48.05	49.80	-0.40	4.76
Burrage Unit Tst Mangmt Ltd (0905)F						
117 Fenchurch St, London EC3M 5AL 071-480 7216						
Short Dated Gilt	1¼	56.92	56.92	57.77	-0.01	6.87
CCF Foster Braithwaite UT Mngt (1100)F						
1 White Hart Yard, London SE1 1NX 071-407 5966						
CCF Sel High Inc Eqty	5½	47.85	48.71xd	51.82	-0.22	6.00
CCF Sel Intl Gwth	5½	47.37	47.37	50.97	-0.37	0.00
CCF Sel Inv Tst	5½	48.61	49.91	53.10	-0.12	2.01
CCF Sel UK Sm Co's	5½	47.12	48.48	51.58	-0.22	2.29
CCL Unit Trusts Ltd (1400)F						
74 Shepherds Bush Green, W12 8SD 081-740 7070						
UK General Tst	5½	56.08	57.28	60.93	-0.46	2.86
Global Tst	5½	46.40	46.90	49.89	-0.02	0.35
Recovery Tst	5½	48.71	49.94	53.12	-0.26	1.92

GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new purchasers. These charges are included in the price when the customer buys units.

OFFER PRICE
The price at which units may be bought.

BID PRICE
The price at which units may be sold.

CANCELLATION PRICE
The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price in the table. However the bid price might be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over buyers.

TIME
The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: ♥ - 0001 to 1100 hours; ♦ - 1101 to 1400 hours; ♠ - 1401 to 1700 hours; ♣ - 1701 to midnight.

HISTORIC PRICING
The letter H denotes that the managers will deal on a historic price basis. This means that investors can obtain a firm quotation at the time of dealing. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

FORWARD PRICING
The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper show the prices at which deals were carried out yesterday.

SCHEME PARTICULARS AND REPORTS
The most recent report and scheme particulars can be obtained free of charge from fund managers. Other explanatory notes contained in last column of the FT Unit Trust information pages.

FT MANAGED FUNDS SERVICE

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

OTHER UK UNIT TRUSTS

INSURANCES

Continued on next page

FT MANAGED FUNDS SERVICE

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

Norwich Union Life Insurance Soc.–Contd.

	Bid Price	Offer Price	+ or –	Yield Gross
Pensionvestor* & Unit-Linked Plus*				
Mixed Fund	402.7	423.9	-2.4	–
Ordinary Share Fund	599.1	630.6	-4.1	–
International Fund	166.5	175.3	-1.0	–
Property Fund	263.2	277.1	----	–
Fixed Interest Fund	300.9	316.7	-1.4	–
Index-Linked Stc Fund	171.5	180.5	-0.3	–
Deposit Fund	228.3	240.3	+0.2	–
Norwich Units May 15	938.37		----	–
*Prices as at July 3				
Jersey Investment Plan				
With Profits Fund	99.72	104.97	+0.04	–
Intl Equity Fund	93.46	98.46	-0.03	–
Intl Bond Fund	95.60	100.63	-0.46	–

Pearl Assurance (Unit Funds) Ltd
Thorpe Wood, Peterborough PE3 6SA 0733 63212

	Bid Price	Offer Price	+ or –	Yield Gross
Prop. Dist. (Gross)	168.9	177.8	----	–
Prop. Acc. (Gross)	289.5	304.8	----	–
Equity (Gross)	816.6	859.6	-5.1	–
Managed (Gross)	569.6	599.6	-3.6	–
Prop. Acc. (Net)	134.8	141.9	----	–
Equity (Net)	188.3	198.2	-1.1	–
Managed (Net)	173.7	182.9	-1.0	–
Internat'nal (net)	166.5	175.2	-0.5	–
Gilt & Fxd Interest	104.9	110.5	-0.6	–
Money Fund	116.7	122.8	----	–
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1)	576.8	607.2	-3.3	–
Ret Man (Series 2)	195.7	206.0	-1.1	–
Ret Man (Series 3)	130.4	130.4	-0.7	–
Ret Cash	156.7	164.9	----	–
Ret Cash (Series 3)	130.1	130.1	+0.1	–

Pegasus Assurance Ltd
Broad Quay, Bristol BS1 4DJ 0272 230271

	Bid Price	Offer Price	+ or –	Yield Gross
Life Funds				
Managed Aggressive	104.7	110.3	-0.4	–
Managed Balanced	98.5	103.6	-0.2	–
Managed Cautious	94.7	99.7	-0.1	–
Pension Funds				
Managed Aggressive	105.7	111.3	-0.4	–
Managed Balance	99.9	105.2	-0.2	–

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 071-405 9222

	Bid Price	Offer Price	+ or –	Yield Gross
Prufund				
Managed July 7	250.0	260.5	-0.8	–

Prudential Holborn Life Ltd
30 Old Burlington St, London W1X 1LB 071-439 3154

	Bid Price	Offer Price	+ or –	Yield Gross
Holborn Series I Life Funds				
Managed	556.7	586.0	-3.7	–
Equity	1137.5	1197.4	-10.1	–
Fixed Interest	379.1	399.1	-0.1	–
Property	432.9	455.7	----	–
Cash	288.6	303.8	----	–
International	393.0	413.7	-1.9	–
Holborn Series II Life Funds				
Managed	544.1	572.8	-3.6	–
Equity	1110.9	1167.4	-9.9	–
International	384.2	404.5	-1.9	–
Fixed Intl.	368.3	387.7	-0.1	–
Property	420.7	442.9	----	–
Cash	280.7	295.5	+0.1	–
Pacific Basin	204.7	215.5	-0.8	–
North American	148.2	156.0	-2.3	–
European	192.5	202.7	-0.2	–
Holborn Balanced Grth	114.6	120.7	-0.4	–
Holborn Strategic Grth	114.7	120.8	-0.4	–

Prudential Holborn Pensions Ltd
30 Old Burlington St, London W1X 1LB 071-439 3154

	Bid Price	Offer Price	+ or –	Yield Gross
Managed	580.5	611.1	-3.6	–
Equity	843.7	888.2	-8.5	–
Global Equity	242.7	255.5	-1.0	–
Fixed Interest	411.2	432.9	-0.4	–
Property	432.7	455.5	----	–
Cash	180.3	189.8	+0.1	–
Index Linked Gilt	206.9	217.8	-0.4	–
Guaranteed	13.75		-0.12	–
International Money	210.0	221.1	-1.2	–
North American	71.4	75.2	-1.1	–
Japanese	125.1	131.7	+1.6	–
European	114.3	120.4	-2.5	–
Special Situations	119.3	125.6	-0.3	–
Communications	97.2	102.4	+0.2	–
Smaller Companies	110.7	116.6	-0.5	–
International Small Cos	140.9	148.4	-0.2	–

Skandia Life Assurance Co Ltd–Contd.

Sun Life Unit Assurance Ltd
St James Barton, Bristol BS99 7SL 0272 426911

Equity & Law Intl Life Assce Co Ltd
Victory Hse, Prospect Hill, Douglas, IoM 0624 77877

Johnson Fry Financial Services Ltd
Dorland Hs 20 Regent St, Ldn SW1Y 4PZ 071-439 0924

Knight Williams & Company Ltd
161 New Bond Street, London W1Y 0LA 071-408 1138

Kleinwort Benson Intl Fd Mngrs Ltd
PO Box 44, Guernsey, CI 0481 27111

OFFSHORE INSURANCES

MANAGEMENT SERVICES

OFFSHORE AND OVERSEAS

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

GUERNSEY (REGULATED)(**)

FT MANAGED FUNDS SERVICE

● Current Unit Trust Prices are available on FT Cityline. To obtain your free Unit Trust Code Booklet ring the FT Cityline help desk on 071-925-2128

	Bid Price	Offer Price	+ or −	Yield Gross
Stonehage Fund Mngrs Ltd				
Intl Man Fd	$10.98	12.04	.....	−
Stronghold Asset Mngmt (Guernsey) Ltd				
Tech and Comm	£13.12	13.92	.....	−
Pacific Basin Fd	$99.58	105.60	.....	−
Western European	$17.26	18.49	.....	−
The Thai-Euro Fund Ltd				
Lloyds Bank Fund Mngrs (Guernsey) Ltd				
NAV June 29		25.49	.....	−
Tyndall International (Guernsey) Ltd				
Capital Defensor	$1.26	1.33	−0.01	−
Hi Yield Bond	62.0	65.2	.....	−
Internat. Spec. Sits	45.9	48.3	−0.5	−
Marunouchi Fd	88.0	92.5	−0.7	−
U.S. Treasury Securities Fund Ltd				
Short Term Shares		$713.71	.....	−
Fixed Income Shares		$832.91	.....	−
Wellington Fd Mngrs (Guernsey) Ltd				
Intl Growth Fd	$14.02	14.72	.....	−
Yamaichi Capital Mngmt (Guernsey) Ltd				
Japan Meta Growth		$12.38	+0.14	−
Yamaichi ISS Fund		$8.93	+0.13	−
Yamaichi CB Plus Fund		$9.90	+0.10	−
Thai Inv Fund		$13.94	.....	−

IRELAND (SIB RECOGNISED)

	Init Charge	Canc. Price	Bid Price	Offer Price	+ or −	Yield Gr's
AIG Fund Management Ltd "MI Trusts"						
MI Global Dollar		$	1.02	1.09	.....	−

ISLE OF MAN (SIB RECOGNISED)

Allied Dunbar Intl Fund Mgrs (1600)H

Lord Street, Douglas, IoM 0624 661551

		Bid Price	Offer Price	+ or −	Yield Gross
Allied Irish Fund Managers—Contd.					
Do Sterling Equivalent		£21.4710		.....	−
Ecu		Ecu13.0295		.....	−
Irish Gilt Fd		I£190.8892		.....	−
Intl Managed Dollar		$24.0281		.....	−
Intl Managed Bond		$22.8415		.....	−
Barclays Intl Funds					
Currency Funds					
Sterling		£18.17		+0.01	13.8
US Dollar		$29.10		+0.01	6.9
Deutschemark		DM49.95		+0.04	6.7
Yen		Y3,723		.....	5.9
Managed Multicurrency		£12.14	12.57	−0.08	−
Managed Multicurrency		$23.61	24.61	+0.01	−
Bond Funds					
Sterling Bond		£0.384	0.399	−0.002	11.9
US Government Income		$95.77	99.18	+0.02	8.1
Brown Shipley Fund Mngmt (CI) Ltd					
Sterling B40(Daily)		£8.89	9.19	−0.06	10.98
Sterling Cap (Daily)		£32.08	32.09	+0.01	−
Intl. Bond (Daily)		$15.30	16.32	+0.14	9.90
Int. Currency (Wed)		£1.43	1.52	.....	7.09
Cater Allen Investment Management (CI)					
CA Gilt Income		£6.79	7.10	−0.06	16.90
CA Gilt & Futures		962.00	1011.00	.....	7.91
CA Equity Gwth(2-1)		£4.68	9.08	.....	3.94
Citibank (CI) Ltd "Citifunds"					
Liquidity Funds					
Deutschmark		DM26.421		+0.018	−
Yen		Y2721.929		+1.389	−
Sterling		£10.277		+0.013	−
US Dollar		$16.646		+0.012	−
Managed		$16.195		+0.009	−
Short Term Investment Funds					
Irish £ July 5		98.595		+0.156	−
Equity Funds					
Global Equity		$17.385		−0.021	−
Japan Equity July 5		$11.154		+0.458	−
European Equity July 2		$16.562		+0.372	−
US-Em Hldr July 2		$12.978		+0.085	−
US Spec Sits July 2		$15.021		+0.020	−
US Em Tech July 2		$14.471		+0.079	−
Glucare July 2		$19.854		+0.131	−
Bond Funds					
Global Bond		$13.397		+0.002	−
GNMA Bond July 2		$12.129	12.144	−0.007	−
HYB (A) July 2		$77276.407		−33.158	−
EBC Trust Company (Jersey) Ltd					

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

	Bid Price	Offer Price	+ or −	Yield Gross
Malaysia Capital Fund Ltd				
NAV June 29		$10.11	.....	−
Malaysia Growth Fund				
NAV June 29		$12.62	.....	−
Malaysia Select Fund Ltd				
NAV June 27		$10.2398	.....	−
Malaysian Smaller Co's Fd (Cayman) Ltd				
Royal Trust Asset Mngmt (Asia) Ltd				
NAV July 5		$11.35	.....	−
Man International Futures				
MINT LIMITED-Ord		$42.88	.....	−
MINT LIMITED-Inc		$15.98	.....	−
MINT GTD LTD Ser A		$22.92	.....	−
MINT GTD LTD-Spec Iss		$21.07	.....	−
MINT GTD LTD-Nov 1993		$20.15	.....	−
MINT GTD LTD-Jan 1994		$16.26	.....	−
MINT GTD LTD-Dec 1994		$14.21	.....	−
MINT GTD LTD-Aug 1995		$11.54	.....	−
MINT GTD (Pacific) LTD (A)		$10652.72	.....	−
MINT GTD (Pacific) LTD (B)		$10568.65	.....	−
MINT Global Gtd Ltd		$105.94	.....	−
FBME MINT GTD PLC		$123.12	.....	−
MINT Sp Res Ltd (BNP)		$110.69	.....	−
MGA Pacific Ltd		A$1.12	.....	−
Manila Fund (Cayman) Ltd				
Manila Fd NAV July 4		$8.20	.....	−
Meridian Funds				
Money Market		$1.00	.....	7.39
US Govt Income		$9.80	.....	−
Global Govt Income		$10.73	.....	−
Global Equity		$12.50	.....	−
Multi-Currency		$10.98	.....	−
Morgan Stanley Japanese Warrant Fund NV				
NAV		$24.0365	.....	−
Murray, Johnstone (Inv. Adviser)				
American P'folio June 28	$27.79	29.18	.....	−
European P'folio June 28	10.43	10.95	.....	−
Japan P'folio June 28	$217.03	227.88	.....	−
Pacific P'folio June 28	$12.22	12.83	.....	−
NICS Europe and Income Fund				
U.S. $		$11.95	.....	−
NM Financial Mngt Intl Ltd				
NM Hong Kong Fd	HK$26.65	28.30	−0.109	7.71
Int Resident Prop Fd	£0.931	1.042	−0.002	4.00
National Mutual Insce Co (Bermuda) Ltd				
Nm Intl Mngd Fund	$14.60	15.54	.....	−
Newport International Management				
Npt. Intl. Securities		$99.84	.....	−

	Bid Price	Offer Price	+ or −	Yield Gross
Warburg Inv Mngmt (Isle of Man) Ltd				
Mercury 90:10 Trust (Sicav)				
Dollar Fd BOPUPs	$10.30	10.31	.....	−
Dollar Fd OPUPs	$9.51	9.57	.....	−
Sterling Fd BOPUPs	£10.36	10.37	.....	−
Sterling Fd OPUPs	£9.89	9.95	.....	−
DM Fd BOPUPs	DM10.12	10.13	.....	−
DM Fd OPUPs	DM9.25	9.30	.....	−
Yen Fd BOPUPs	$7.73	7.74	.....	−
Yen Fd OPUPs	$9.37	9.43	.....	−
Wardley Investment Services Ltd				
Wardley S.E. Asia Tst	$13.48	14.16	+0.29	0.57
Japanese Warrants	$10.19	10.79	+0.20	−
Asian Warrants	$10.38	10.99	+0.09	−
European Warrants	$10.62	11.25	+0.18	−
Managed	HK$9.87	10.52	+0.06	−
Wells Fargo U.S. IT Fund				
NAV July 2		$10.10	.....	−
Xiphias International Investment Fd Ltd				
Xiphias Int USD		$1.0253	.....	−
Xiphias Int ECU		Ecu1.0241	.....	−

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
CAF Money Management Co Ltd				
48 Pembury Road, Tonbridge TN9 2JD 0732 770114				
Cafcash Deposit Fd	14.59	−	15.40	3-Mth
The COIF Charities Deposit Account				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	14.75	−	15.59	3-Mth
Cent. Bd. of Fin. of Church of England##				
2 Fore Street, London EC2Y 5AQ 071-588 1815				
Deposit	14.80	−	15.64	3-Mth
Gartmore Money Management Ltd				
2-3 White Hart Yard, London SE1R 1NX. 071-236 1425				
Call Fund	14.61	11.39	15.62	6-Mth
7-day Fund	14.73	11.49	15.76	6-Mth
Special Fund	14.84	−	16.28	1-Mth
Dollar	7.00	5.46	7.43	3-Mth

Money Market Bank Accounts

MANAGED FUNDS NOTES

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Sterling firm as dollar falls

STERLING CONTINUED to benefit from speculation about early British membership of the European Monetary System exchange rate mechanism. High yielding currencies, such as the pound, were generally in favour during a quiet day, when market volume was restricted by the closure of the US for Independence Day. Dealers in London and Frankfurt took advantage of a very quiet session by winding down trading early, to watch the World Cup football match between England and West Germany.

The pound rose to DM2.9400 from DM2.9375. It also gained 55 points to $1.7850 against a generally weak dollar and rose to SFr2.4825 from SFr2.4800, but eased to FFr9.8575 from FFr9.8625 and to Y267.50 from Y269.00. On Bank of England figures sterling's index rose 0.4 to 92.7.

The dollar remained depressed by speculation about an easing of the Federal Reserve's monetary stance. The comment by US President George Bush that "bringing down interest rates worldwide is always a goal" tended to weigh on the currency. Today's figures on US employment trends are regarded as an important guide to the state of the US economy. Unemployment is expected to be steady at 5.3 per cent in June, but growth in job creation is likely to remain weak, according to analysts, with non-farm payrolls rising about 100,000, against 164,000 in May. At the London close the dollar had fallen to DM1.6470 from DM1.6510; to SFr1.3910 from SFr1.3930; to FFr5.5225 from FFr5.5425; and to Y149.80 from Y151.15. According to the Bank of England the dollar's index declined to 65.9 from 66.4.

Earlier in Tokyo the dollar fell below Y150 for the first time since May 29. Dealers said that if the US currency establishes a trading level below Y150 it is likely to improve sentiment surrounding the yen, and could also represent a significant downward turning point for the dollar.

In common with sterling other high yielding currencies were firm. The Australian dollar finished stronger against its US counterpart in Sydney, with dealers suggesting that the trend for the Australian currency remains higher.

Full members of the EMS supported by high interest rates were also firm. The Spanish peseta hit its maximum allowed limit against the weakest placed French franc and was close to its ceiling against the D-Mark. In Madrid the D-Mark was fixed at Pta61.3675, compared with a lowest permitted level of Pta61.2170. Recent comments by Spanish officials that any adjustment to the peseta would be on the upside and that a depreciation would run counter to monetary policy supported the Spanish currency.

In Paris the peseta was fixed at FFr5.4700 per 100 pesetas against the franc, near its upper limit of FFr5.4785, but there was no sign of intervention by the Bank of France. The franc was little changed against the D-Mark.

£ IN NEW YORK

July 3	Close	Previous Close
£ Spot	1.7760-1.7770	1.7765-1.7775
1 month	1.01-1.00pm	1.01-1.00pm
3 months	2.81-2.78pm	2.80-2.78pm
12 months	9.30-9.20pm	9.30-9.20pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	July 4	Previous
[illegible]	[illegible]	[illegible]

CURRENCY RATES

July 4	Bank rate %	Special* Drawing Rights	European † Currency Unit
[illegible]	[illegible]	[illegible]	[illegible]

† European Commission Calculations.
* All SDR rates are for July 3

CURRENCY MOVEMENTS

July 4	Bank of England Index	Morgan** Guaranty Changes %
[illegible]	[illegible]	[illegible]

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1985=100). **Rates are for July 3.

OTHER CURRENCIES

July 4	£	$
[illegible]	[illegible]	[illegible]
Taiwan	47.95-48.65	27.10-27.20
U.A.E.	6.5355-6.5425	3.6720-3.6730

*Selling rate

EURO-CURRENCY INTEREST RATES

Jul 4	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	15-14⅞	15-14⅞	14 15/16-14⅞	14 15/16-14⅞	14 13/16-14¾	14 9/16-14½
US Dollar	8¼-8⅛	8¼-8⅛	8 5/16-8 3/16	8⅜-8¼	8⅜-8¼	8½-8⅜
Can. Dollar	13¼-13	13¼-13	13¼-13	13⅜-13¼	13¼-13	13-12¾
D. Guilder	8-7½	7¾-7⅝	8-7¾	8¼-8⅛	8½-8⅜	8¾-8⅝
Sw. Franc	9¼-9⅛	9⅜-9¼	9⅛-9	9 1/16-8 15/16	8⅞-8¾	8⅝-8½
Deutschmark	8⅛-8	8⅛-8	8⅛-8	8¼-8⅛	8⅜-8¼	8 11/16-8 9/16
Fr. Franc	10⅛-10	10⅛-10	10-9⅞	10 1/16-9 15/16	10 3/16-10 1/16	10⅜-10¼
Italian Lira	13-11	11½-10½	11¼-10¾	11¼-10¾	11⅝-11	11¾-11½
Belgian Franc	9¾-9½	9⅝-9½	9½-9⅜	9½-9⅜	9½-9⅜	9⅝-9½
Yen	7⅝-7½	7⅝-7½	7⅝-7½	7⅝-7½	7 11/16-7 9/16	7 13/16-7 11/16
D. Krone	10⅛-10	10⅛-10	10⅜-10¼	10⅜-10¼	10½-10⅜	10⅝-10½
Asian $Sing	8⅜-8¼	8⅜-8¼	8⅜-8¼	8⅜-8¼	8⅜-8¼	8½-8⅜

Long term Eurodollars: two years 8 9/16-8 7/16 per cent; three years 8 13/16-8 11/16 per cent; four years 9-8⅞ per cent; five years 9⅛-9 per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

POUND SPOT- FORWARD AGAINST THE POUND

July 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7795 - 1.7920	1.7845 - 1.7855	0.99-0.97cpm	6.59	2.90-2.87pm	6.46
Canada	2.0700 - 2.0780	2.0740 - 2.0750	0.25-0.16cpm	1.18	0.74-0.60pm	1.29
Netherlands	3.30¾ - 3.32	3.30¾ - 3.31¾	2-1¾cpm	7.02	5½-5¼pm	6.50
Belgium	60.30 - 60.70	60.40 - 60.50	32-23cpm	5.45	90-74pm	5.42
Denmark	11.17 - 11.22½	11.18¾ - 11.19¾	4½-4⅛orepm	4.79	13-11¾pm	4.45
Ireland	1.0950 - 1.1035	1.0955 - 1.0965	0.50-0.45cpm	5.20	1.50-1.30pm	5.11
W. Germany	2.93¾ - 2.94¾	2.93¾ - 2.94¾	1¾-1½pfpm	6.88	4¾-4½pm	6.54
Portugal	257.45 - 259.15	257.50 - 258.50	70-40cpm	2.56	93-36dis	1.00
Spain	179.75 - 180.90	179.90 - 180.20	3-5cdis	-0.27	4-6dis	-0.11
Italy	2151¾ - 2162½	2154 - 2155	7-6lirepm	3.62	19¾-17¾pm	3.40
Norway	11.28¾ - 11.34¾	11.30 - 11.31	4-3¼orepm	3.85	11¼-10pm	3.76
France	9.85¼ - 9.89¾	9.85¾ - 9.86¾	4⅛-3⅞cpm	4.86	11¾-11½pm	4.71
Sweden	10.66 - 10.70	10.67¾ - 10.68¾	2¾-2¼orepm	2.81	6¾-5¾pm	2.34
Japan	266¾ - 268¼	267 - 268	1¾-1⅝ypm	7.56	4¾-4¼pm	7.19
Austria	20.65 - 20.73	20.65 - 20.68	11⅝-10¼gropm	6.50	31¾-29¼pm	5.89
Switzerland	2.47¾ - 2.49¼	2.47¾ - 2.48¾	1¼-1⅛cpm	5.75	3¾-3½pm	5.75
ECU	1.4000 - 1.4025	1.4010 - 1.4020	0.60-0.57cpm	5.01	1.61-1.56pm	4.52

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.36-5.31cpm 12 month 9.33-9.23cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

July 4	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.7795 - 1.7920	1.7845 - 1.7855	0.99-0.97cpm	6.59	2.90-2.87pm	6.46
Ireland†	1.6265 - 1.6305	1.6270 - 1.6280	0.28-0.23cpm	1.88	0.71-0.61pm	1.62
Canada	1.1600 - 1.1635	1.1615 - 1.1625	0.51-0.54cdis	-5.42	1.50-1.55dis	-5.25
Netherlands	1.8505 - 1.8555	1.8530 - 1.8540	0.05-0.03cpm	0.26	0.03dis-par	-0.03
Belgium	33.80 - 33.90	33.80 - 33.90	1.00-5.00cdis	-1.06	5.00-13.00dis	-1.06
Denmark	6.26¾ - 6.27½	6.26¾ - 6.27¼	1.00-1.30oredis	-2.20	3.00-3.50dis	-2.07
W. Germany	1.6435 - 1.6490	1.6465 - 1.6475	0.03-0.01pfpm	0.15	0.03-0.01pm	0.05
Portugal	144.50 - 144.60	144.50 - 144.60	45-65cdis	-4.57	200-250dis	-6.23
Spain	100.80 - 101.10	100.95 - 101.05	55-58cdis	-6.71	165-171dis	-6.65
Italy	1205¾ - 1209	1206¾ - 1207¾	2.90-3.40liredis	-3.13	9.00-9.80dis	-3.12
Norway	6.32¾ - 6.33¾	6.33 - 6.33½	1.30-1.55oredis	-2.70	4.10-4.60dis	-2.75
France	5.51¾ - 5.53¾	5.52 - 5.52½	0.77-0.82cdis	-1.73	2.40-2.50dis	-1.77
Sweden	5.97¾ - 5.98¾	5.98 - 5.98½	1.84-1.99oredis	-3.84	6.00-6.45dis	-4.16
Japan	149.40 - 150.30	149.75 - 149.85	0.12-0.10ypm	0.88	0.28-0.25pm	0.71
Austria	11.56¾ - 11.59¾	11.58½ - 11.59	0.20-0.60grodis	-0.41	0.60-1.70dis	-0.40
Switzerland	1.3865 - 1.3930	1.3905 - 1.3915	0.08-0.12cdis	-0.86	0.24-0.31dis	-0.79
ECU	1.2530 - 1.2575	1.2555 - 1.2565	0.19-0.18cpm	1.79	0.64-0.61pm	2.02

Commercial rates taken towards the end of London trading. † UK, Ireland and ECU are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu July 4	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.1679	42.4891	+0.76	+0.56	±1.5308
Danish Krone	7.79845	7.86826	+0.90	+0.70	±1.6453
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

EXCHANGE CROSS RATES

Jul 4	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
C $	0.482	0.860	1.417	128.9	4.751	1.197	1.594	1039	1	29.13
B Fr.	1.654	2.953	4.864	442.5	16.31	4.108	5.472	3565	3.433	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES AND OPTIONS

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

	Close	High	Low	Prev.
Sep	1.7556	1.7588	1.7452	1.7476
Dec	1.7280	1.7330	1.7210	1.7222
Mar	1.7060	1.7080	-	1.7002

	Open	Close	Change	High	Low	Yield	Open Int.
September	90.09	90.08	-0.01	90.12	90.07	9.92	12,551
December	90.09	90.08	+0.01	90.10	90.07	9.92	4,288
March	90.12	90.10	-	90.12	90.10	9.90	1,329
June	-	-	-	-	-	9.92	24

Estimated volume 4,516 Total Open Interest 18,192

CAC-40 FUTURES (MATIF) Stock Index

	Open	Close	Change	High	Low	Open Int.
July	2040.0	2024.0	-21.5	2042.0	2024.0	5,855
August	2044.0	2037.0	-18.5	2050.0	2037.0	384
September	2060.0	2060.0	+0.5	2060.0	2060.0	10
December	-	-	-	-	-	-

Estimated volume 2,786 Total Open Interest 6,249

BASE LENDING RATES

	%		%		%
ABN Bank	15	Coutts & Co	15	NatWestminster	15
Adam & Company	15	Cyprus Popular Bk	15	Northern Bank Ltd	15
Allied Trust Bank	15	Dunbar Bank PLC	15	Nykredit Mortgage Bank	15½
Allied Irish Bank	15	Duncan Lawrie	15	Provincial Bank PLC	16
● Henry Ansbacher	15	Equatorial Bank plc	15	Roxburghe Bank Ltd.	15½
Associates Cap Corp	15½	Exeter Trust Ltd	15½	Royal Bk of Scotland	15
● B & C Merchant Bank	15	Financial & Gen. Bank	15	Royal Trust Bank	15
Bank of Baroda	15	First National Bank Plc.	16½	● Smith & Williamson Secs.	15
Banco Bilbao Vizcaya	15	● Robert Fleming & Co.	15	Standard Chartered	15
Bank Credit & Comm	15	Robert Fraser & Ptnrs.	15½	TSB	15
Bank of Cyprus	15	Girobank	15	Unibank plc	15
Bank of Ireland	15	● Guinness Mahon	15	● United Bk of Kuwait	15
Bank of India	15	HFC Bank plc	15	United Mizrahi Bank	15
Bank of Scotland	15	● Hambros Bank	15	Unity Trust Bank Plc	15
Banque Belge Ltd	15	Hampshire Trust Plc	15½	Western Trust	15
Barclays Bank	15	Heritable & Gen Inv Bnk.	15	Westpac Bank Corp.	15
Benchmark Bank PLC	15	● Hill Samuel	§15	Whiteaway Laidlaw	15½
Brit Bk of Mid East	15	C. Hoare & Co.	15	Yorkshire Bank	15
● Brown Shipley	15	Hongkong & Shangh	15		
CL Bank Nederland	15	● Leopold Joseph & Sons	15		
● Charterhouse Bank	15	Lloyds Bank	15		
Citibank NA	15	Meghraj Bank Ltd	15		
City Merchants Bank	15	McDonnell Douglas Bnk.	15		
Clydesdale Bank	15	Midland Bank	15		
Comm. Bk. of London Plc	15	Mount Banking	15		
Co-operative Bank	*15	Nat Bk. of Kuwait	15		

● Members of British Merchant Banking & Securities Houses Association. * Deposit now 5.9% Savewise 8.5%, Top Tier-£50,000+ instant access 13.7% ‡ Mortgage base rate. § Demand deposit 9%. Mortgage 15.2% - 15.95%

MONEY MARKETS

Rates hold steady

INTEREST RATES remained steady in London yesterday. Dealers do not expect an early cut in UK bank base rates despite the continued strength of sterling. Three-month interbank was unchanged at 14 15/16-14⅞ per cent and 12-month money was quoted at 14⅝-14½ per cent against 14⅝-14½.

Trading in short sterling futures was subdued on Liffe. Expectations that base rates will remain at 15 per cent for some time was reflected in a higher turnover for the December contract than September delivery. December short sterling opened firmer at 86.36, but this was the day's high. It closed at 86.32, against 86.28 previously.

UK clearing bank base lending rate 15 per cent from October 5

Day-to-day credit was in short supply. The Bank of England initially forecast a money market credit shortage of £700m, but revised this to £750m at noon, and to £900m in the afternoon. Total help of £779m was provided.

Before lunch the authorities bought £73m bills outright, by way of £10m bank bills in band 1 at 14⅞ per cent and £63m bank bills in band 2 at 14¾ per cent. In the afternoon the Bank of England purchased another £496m bills, via £115m bank bills in band 1 at 14⅞ per cent and £381m bank bills in band 2 at 14¾ per cent. Late assistance of around £210m was also provided.

Bills maturing in official hands, repayment of late assistance and a take-up of Treasury bills drained £550m, with a rise in the note circulation absorbing £135m, and bank balances below target £115m. These outweighed Exchequer transactions adding £100m to liquidity.

In Frankfurt call money firmed to 8.00 from 7.95 per cent, as the West German Bundesbank drained a net DM8.5bn at this week's securities repurchase agreement tender. The central bank accepted bids of only DM16.1bn for a 28-day pact, compared with two expiring facilities totalling DM24.6bn. Funds were allocated at rates between 7.85 and 8.10 per cent.

A draining of liquidity was expected, but conditions are very uncertain because banks do not know how much of a DM25bn credit line, offered to the East German banking system by the Bundesbank, will find its way back into Frankfurt. There is speculation that East German banks have borrowed money at the 6 per cent discount rate and have put this back on deposit in West Germany.

FT LONDON INTERBANK FIXING

(11.00 a.m. July 4) 3 months US dollars		6 months US Dollars	
bid 8 7/16	offer 8 9/16	bid 8 7/16	offer 8 9/16

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Close July 3)

		Treasury Bills and Bonds			
Prime rate	10	One month	6.91	Three year	8.26
Broker loan rate	9¾	Two month	7.61	Four year	8.29
Fed. funds	8¼	Three month	7.97	Five year	8.30
Fed. funds at intervention	8¼	Six month	8.01	Seven year	8.43
		One year	8.03	10-year	8.39
		Two year	8.18	30-year	8.39

July 4	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	7.95-8.05	7.85-8.00	7.95-8.10	8.00-8.15	8.30-8.50	8.00
Paris	10⅜-10⅛	9 15/16-10 1/16	-	9 15/16-10 1/16	-	9.50
Zurich	8¾-8⅝	8¾-9⅛	-	8⅞-9⅛	-	-
Amsterdam	7.00-7.25	7.88-7.95	-	8.00-8.18	-	-
Tokyo	7⅛-7⅝	7⅝-7½	-	7⅝-7½	-	-
Milan	11⅝-11⅞	11⅝-11⅞	-	11⅝-11⅞	-	-
Brussels	8.45	9⅜-9⅜	-	9½-9⅜	-	-
Dublin	10½-10⅝	10⅝-10½	10¾-10⅝	10⅝-10¾	9 15/16-10 1/16	-

LONDON MONEY RATES

Jul 4	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	15½	15	15	15	14⅞	14⅝
Interbank Bid	14⅞	14⅞	14⅞	14⅞	14¾	14½
Sterling CDs	-	-	14 15/16	14 15/16	14 13/16	14½
Local Authority Deps.	14 15/16	14 15/16	14 15/16	14 15/16	14 13/16	14½
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	15	14⅞	14¾	14½	-	-
Company Deposits	-	-	15⅛	15⅛	14 13/16	14⅝
Finance House Deposits	-	-	15⅛	14 15/16	14¾	14½
Treasury Bills (Buy)	-	-	14 13/16	14 13/16	-	-
Bank Bills (Buy)	-	-	14 13/16	14 13/16	13 15/16	-
Fine Trade Bills (Buy)	-	-	15⅜	14 13/16	14 13/16	-
Dollar CDs.	-	-	8.25	8.25	8.28	8.37
SDR Linked Dep. Offer	-	-	8¾	8⅞	9	9⅛
SDR Linked Dep. Bid	-	-	8⅝	8¾	8⅞	9
ECU Linked Dep. Offer	-	-	9 13/16	10¼	10 5/16	10⅜
ECU Linked Dep. Bid	-	-	9 11/16	10⅛	10 3/16	10½

Treasury Bills (sell): one-month 14 13/16 per cent; three months 14 11/16 per cent; Bank Bills (sell): one-month 14¾ per cent; three months 14⅝ per cent; Treasury Bills; Average tender rate of discount 14.3198 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day June 29 .1990 . Agreed rates for period July 25,1990 to August 25 , 1990, Scheme I: 15.84 p.c., Schemes II & III: 16.25 p.c. Reference rate for period June 1,1990 to June 29 , 1990, Scheme IV&V: 15.025 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 15½ from July 1 , 1990: Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 11½ per cent; one-three months 13 per cent; three-six months 13 per cent; six-nine months 13 per cent; nine-twelve months 13 per cent; Under £100,000 11½ per cent from Oct 9,1989 , Deposits withdrawn for cash 5 per cent.

High	Low	Company	Price	Change	Gross div (p)	Yield %	P/E
343	275	Ass. Brit. Ind. Ordinary	275	-3	10.3	3.7	7.4
38	19	Armitage and Rhodes	25	0	-	-	-
210	135	Bardon Group (SE)	153	0	4.3	2.8	14.9
125	96	Bardon Group Cv Pref (SE)	97	0	6.7	6.9	-
123	70	Bray Technologies	71	0	4.7	6.6	11.6
110	82	Bremhill Conv. Pref	82	0	11.0	13.4	-
315	285	CCL Group Ordinary	315	0	18.7	5.9	25
176	163	CCL Group 11% Conv.Pref	166	0	14.7	8.9	-
225	140	Carbo Plc (SE)	215	0	7.6	3.5	12.6
110	109	Carbo 7.5% Pref (SE)	110	0	10.3	9.4	-
7.5	0.125	*Magnet Gp Non-VotingA Cnv	0.1	0	-	-	-
7.5	0.125	*Magnet Gp Non-VotingB Cnv	0.1	0	-	-	-
130	58	Isis Group	58	-1	8.0	13.8	3.3
145	58	Jackson Group (SE)	119	0	4.3	3.6	10.6
345	243	Multihouse NV (AmstSE)	320	-5	-	-	-
158	98	Robert Jenkins	130	0	10.0	7.7	4.7
467	320	Scruttons	325	0	20.0	6.2	9.0
168	106	Unistrut Europe Conv Pref	168	0	10.7	6.4	-
395	235	Veterinary Drug Co. PLC	236	0	22.0	9.3	6.3
384	278	W.S Yeates	384	0	16.2	4.2	32.0

Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of the ISE. Other securities listed above are dealt in subject to the rules of TSA

These securities are dealt in strictly on a matched bargain basis. Neither Independent Companies Exchange Limited nor Granville Davies Limited are market makers in these securities

* These securities are dealt on a restricted basis. Further details available

JOTTER PAD

CROSSWORD

No.7,281 Set by VIXEN

ACROSS

1 Dainty little thing responsible for a hold-up (9)
6 Hardy appears overweight (5)
9 A crawler can put two and two together! (5)
10 Cordial garden-maker in the Orient (9)
11 Give assistance to and consider the poor (6-4)
12 The woman in the average home (4)
14 Quiet place where there's a coal fire for a hair-do (7)
15 The guy shaking up a sourer cocktail (7)
17 Coppers pocketing small article and bearing the punishment (7)
19 The goddess shedding tears about a motorway (7)
20 Stone work a trainee produces (4)
22 A fabulous heroine who may be called in without hesitation (10)
25 Switched off as it happened (6,3)
26 He does like to spot royal characters! (5)
27 Pulled together perhaps, but didn't get on well (5)
28 Workers after a particular fabric – with stripes (9)

DOWN

1 Trains 16 to make money (5)
2 A note in doubt in unusual kidnapping case (9)
3 May sportsmen use them? (6-4)
4 Eat greedily and possibly go green (7)
5 Settle on Burlington House for a Greek's appearance (7)
6 Check 14 down (4)
7 Fancy both the round and long (5)
8 A ruse thus bungled could lead to an exchange of words! (9)
13 A walkover (10)
14 Have a drink with 6 across, a fan (9)
16 It's obvious the heavyweight is no genius (9)
18 Newspaper leaders (7)
19 An examiner, one in a mock-Tudor environment (7)
21 A quarrel could well be in the air (5)
23 Tapestry taken from a car – rascals stole it (5)
24 An element of initiative (4)

Solution to Puzzle No.7,280

CASANOVA HAMPER
AUDIENCE ALICIA
OVERLOOK STAFFS
DISTRESSED
BACKHANDER
EXOTIC ADHESIVE
TATTLE INTEREST
ESCORT DEFLATED

WORLD STOCK MARKETS

AUSTRIA

July 3	Sch	+ or −
Austrian Airlines	3,008	+20
Creditanstalt	6,400	+50
Erste Allgemeine	24,150	+1,150
Jungbunzlauer	14,400	—
Landerbank	1,265	+5
OeMV	11,700	+200
Perlmooser	1,920	+10
Radex	1,249	+9
Reininghaus	2,640	+30
Steyr-Daimler	216	+1
Veitscher Mag	1,160	+11
Verbund	820	
Wienerberger	6,390	+170

BELGIUM/LUXEMBOURG

July 3	Frs.	+ or −
Arbed	5,290	—
B.B.L.	2,970	−20
Bank Intl. a Lux	15,400	−50
Banque Gen. Du. Lux	14,600	—
Banque Nat. Belg	35,525	−500
Barco	2,360	−25
Bekaert B	14,225	−25
Ciment CBR	9,350	−50
Cobepa	5,690	+40
Do. AFV 1	5,600	—
Cockerill	188	−3
Colruyt	26,400	—
Delhaize	6,440	+40
EBES	3,925	−10
Do. AFV 1	3,825	−10
Fabrique Nat	290	+5
GIB Group	1,360	—
Do. AFV	1,350	—
GBL(BruxL)	3,980	−20
Do. AFV 1	3,955	−45
Gechem	860	—
Do. AFV	822	—
Generale Bank	5,290	—
Do. AFV 1	5,100	−10
Gevaert	8,470	+30
Intercom	3,175	−15
Do. AFV 1	3,040	−5
Kredietbank	3,925	−20
Do. AFV	4,100	−75
Pan Holdings	15,130	—
Petrofina	11,850	—
Raffinerie Tirle	3,205	—
Royale Belge	5,590	+50
Do. AFV 1	6,800	+50
Soc Gen Belge	3,305	+10
Do. AFV	3,285	−10
Sofina	13,425	−125
Solvay	13,650	−75
Tessenderlo	8,660	+50
Do. AFV	8,200	—
Tractebel	8,330	—
Do. AFV 1	8,190	—
UCB	22,600	+250
Do. AFV	19,900	−125
Unerg	2,295	+20
Do. AFV 1	2,205	−10
Wagons Lits	9,650	−140
Do. AFV	8,600	—

DENMARK

July 3	Kr	+ or −
Baltica Hldgs	960	−2
Carlsberg	1,350	+10
Danisco	950	+6
Den Danske Bank	327	—
East Asiatic	295	—
FLS Inds. B	958	−2
GN Great Nordic	875	—
Hafnia Invest A	1,030	+30
I.S.S. B Systems	950	+30
Jyske Bank	390	+2
Lauritzen (J) B	1,810	+50
NKT A/S	450	—
Novo Nordisk	320	+5
Royal C'hagen A	515	−15
Sophus Berendsen	1,330	+10
Superfos	5,740	+10
TopDanmark	1,240	−60
Unidanmark	314	−1

FINLAND

July 3	Mka	+ or −
Amer	123	—
Cultor	80	—
Enso-Gutzeit R	17	—
Huhtamaki I Free	101	—
KOP	47.5	−0.5
Kone	710	+10
Kymmene	83.5	−1.5
Nokia Pref Free	93.1	−0.4
Pohjola 'B' Free	106	+2
Rauma-Repola	90	—
Sampo	400	—
Stockmann 'B'	185	—
UBF'C'	26	−0.2
Utd. Paper Prf.	90	−0.1
Wartsila (s11)	430	—

FRANCE

July 3	Frs.	+ or −
Accor	1,065	+20
Afrique Occiden	563	−7
Air Liquide	788	+1
Arjomari-Prioux	2,302	+12
Auxiliare d'Ent	1,080	−26
BIC	660	−8
BSN	860	—
Bancaire Cie	611	+12
BRP (Cert.Inv.)	423.5	+4.5

FRANCE (continued)

July 3	Frs.	+ or −
Beghin-Say	904	+14
Do. Certs	630	+5
Bongrain	3,945	+26
Bouygues	656	−3
CGIP	1,350	+21
CMB Packaging	195.6	−5.4
Carrefour	3,600	+10
Casino	126	−2.3
Cerdem	570	+10
Chargeurs	1,031	+14
Ciments Fr.	1,722	−13
Club Mediterranee	644	+14
Coflexip	367.8	+14.8
Cogifi	448	+8
CGE	635	+1
Coparex	607	−3
CCF	230.5	−1
Cred Foncier Fr	1,310	+10
Cred Lyon (CI)	802	−9
Credit National	1,438	+8
Damart	3,050	−40
Docks de France	3,850	+10
Dollfus-Mieg	545	+7
Dumez S.A.	600	+10
Eaux (Gle Gen)	2,675	+22
Ecco	550	—
Electrofin're	990	−10
Elf-Aquitaine	664	−1
Do. Certs	496.5	+0.5
Epeda-Bertrand	1,158	−2
Essilor	2,730	−29
Eternit (Fin.)	2,090	−60
Euralrance	2,068	+7
Eurocom	2,170	+15
Euro Disneyland	102.6	−0.4
Euromarche	4,198	−2
Exor	1,830	−26
Finextel	183	+3
Fonciere Lyonn	1,082	+10
Fromageries	2,363	+1
GTM-Entrepose	1,748	−12
Gaumont (Soc N)	1,125 xr	−1
Gen Geophysique	1,180	−23
Gen.Occidentale	768	−2
Hachette	340	+5
Havas	644	+2
Imetal	363.5	+1.5
Immeubles de Fr	1,624	+14
Immobanque	812	−3
Industrielle	7,050	−400
Interbail	473	−2
Intertechnique	1,350	−6
LVMH	4,531	−28
Lafarge Coppee	456	+1
La Henin	678	+1
L'Oreal	5,520	+90
Legrand	4,540	+35
Locafrance	500	+5
Lyonn. des Eaux	711	+1
Maisons Phenix	118	+0.2
Matra S.A.	363	—
Merlin-Gerin	6,280	+10
Michelin B	184.3	+0.5
Midi (Cie)	1,308	+17
Moulinex	188.5	+2.3
Navigation Mixt	1,570	+13
Nord Est	191.1	+0.1
Nouvelle Galer.	716	−27
OFP	1,920	+34
Ortam	315	+7
Paribas	638	—
Paris Rescompte	425.1	−4.9
Pechelbronn	1,514	−1
Pernod Ricard	1,228	−4
Perrier	1,504	−33
Peugeot S.A.	777	−32
Poliet	607	−5
Pretabail Sicomi	1,145	+1
Printemps Au	649	+11
Promodes	2,105	+37
Radiotech	710	−10
Redoute	3,215	−65
Rhone-Poul (Cts)	474.5	+1.5
Roussel-Uclaf	2,290	+30
SILIC	819	−35
Sagem	1,610	+10
St.Gobain	578	−4
Saint Louis	1,572	+22
Sanofi	962	+7
Schneider	1,008	−2
Seb SA	1,308	+13
Sefimeg	507	+9.7
Simco	566	+1
Skis Rossignol	1,045	−4
Soc. Gen. de Fr	554	+3
Sommer-Allibert	1,940	+10
Spie-Batignolles	785	−5
Suez (Fin de)	434.5	−2
Taittinger	5,890	+160
Thomson (CSF)	122	+0.1
Total-Petroles Fr.	697	−2
UAP	619	—
UFB Locabail	425	—
Unibail	880	−5
Union Immob Fr	645	—
Valeo	556	−17
Vallourec	295	−3

GERMANY

July 3	Dm.	+ or −
AEG	305.5	−1
AG Ind & Verkehr	900	+1
Aachener Muench	885	—
Allianz AG	2,830	−18
Altana	562.5	+13.5
Asko Deutsche K	948	+9
Do. Prf.	805	+5
BASF	270.3	−2.2
Badenwerk	255	−1.5
Bayer	280.6	−0.1
Bayer-Hypo	392	−1.5

GERMANY (continued)

July 3	Dm.	+ or −
BMW	594	+5
Bayer-Verein	401.8	+2.3
Beiersdorf	931	+13
Berliner Kraft.	158.5	−0.5
BHF-Bank	483	−4
Bilfinger & Berg	961	+7
Brown Boveri	876	−9
Colonia Versich	1,200	+5
Do. Pref.	840	+40
Commerzbank	286	—
Continental AG	305.5	+2.5
DLW	728	−7
Daimler-Benz	858	−3
Deckel (Fr.)	234.5	−1.5
Degussa	484.3	−5.2
Deutsche Babcock	223	+0.2
Deutsche Bank	808	−3.5
Didier-Werke	245	—
Douglas Hldgs	907.5	+3.5
Draegerwerk	340	+2
Dresdner Bank	434.5	+2
Fag Kugelfischer	491	+5
Gerresheimer	357	−8
Goldschmidt (TH)	658	−7
Hamburg Elekt	220	+2
Hapag Lloyd	450	+2
Heidelberger Zem	1,295	+38
Henkel Pref.	648	—
Herlitz	490	+9
Hochtief	1,435	+30
Hoechst	263.6	−3.5
Hoesch	332.5	+0.3
Holzmann (P)	1,670	+5
Horten	265	+7
Industriekredit.	280.5	−1.5
Industrie Werke	422	−4
Kali & Salz	271.5	−2.5
Karstadt	720	+3
Kaufhof	673	+5.5
KHD	283	−4
Kloeckner Werke	221	−3
Kraft Werke Rh	308	+5
Lahmeyer	1,120	+12
Leifheit	801	+7
Linde	1,060	+12
Lufthansa	174	−4.5
Do. N/V Pref.	156	−1
MAN	475	−3
Do. Pref.	367	−2
Mannesmann	361.5	−1.3
Mannheimer Vers	930	+10
Mercedes Hld	682	—
Metallgesell	666	−5.5
Muench Rueck	2,510	+100
Nixdorf	308	−3
PWA	313	+1
Philips Kommun.	520	−10
Porsche	1,242	+4.5
Preussag	453	−4.5
Rheinelektra	2,845	+25
Rhein West Elect	498.5	−9
Do. Pref.	393	−5
Rheinmetall Berl	447	+4
Do. Pref.	285	+0.5
Rosenthal	359	+2
Schering	771.5 xc	−1
Schmalbach-Lub	283.5	+5
Siemens	762.7	−5.8
Springer Vlg Rg	810	+10
Sud-Chemie	745	—
Thyssen	288.2	+0.7
Varta	380	−3
Veba	446.2	−2.8
V.E.W.	224	−1
Verein-West	397	−2
Viag	416.7	−6.3
Volkswagen	637.5	−2.5
Do. Pref.	541	+1
Wella Pref.	763	+1
Zanders Feinp'per	315	−3

ITALY

July 3	Lire	+ or −
Banca Com'le	5,185	−25
Banca Naz Agric	8,615	−185
Banco Lariano	6,600	+30
Bastogi-IRBS	316	—
Burgo (Cartiere)	12,430	−130
CIR	5,400	—
Caffaro	1,445	−6
Cementir	3,011	+11
Cigahotel	5,750	+58
Cofide	4,600	−80
Credito Italiano	2,689	+4
Danieli	12,100	—
Eridania	9,800	+23
Fiat	9,870	−30
Do. Priv.	7,290	−10
Fidis	8,000	−40
Fondiaria	58,900	−1,090
Gemina	2,299	−26
Generali Assicur	42,990	−410
Gilardini Inds.	5,160	−65
IFI Priv.	27,480	+130
Italcable	10,302	−348
Italcementi	153,900	−1,100
Italgas	2,960	−20
Lloyd Adriatico	18,200	+100
Magneti Marelli	1,810	−50
Mediobanca	20,950	−150
Mira-Lanza	72,000	—
Montedison	2,006	+6
Olivetti	6,340	−79
Pirelli Co	10,920	−70
Pirelli Spa	2,688	+16
Rinascente La	7,750	−80
RAS	25,850	−550
SIP	1,618	−7
Saffa A	10,480	−10
Saipem	2,725	−72

ITALY (continued)

July 3	Lire	+ or −
SASIB	7,798	−82
Sirti Spa	14,480	−180
SME	2,068	−2
Snia BPD	2,654	+34
Toro Assicur	25,900	−450
Tosi Franco	36,010	−270
Unicem	30,810	−160

NETHERLANDS

July 3	Fls.	+ or −
ACF Holding	39.90	−0.1
AEGON	132.10	+0.8
Ahold	147.10	−0.3
AKZO	123.40	+0.1
ABN	37.70	+0.2
AMEV	58.50	−0.8
AMRO	75.20	+0.2
Bols Lucas	185.50	+0.2
Borsumij Wehry	93.00	+0.6
Buehrmann-Tet	73.20	+0.3
Center Parcs	59.80	−0.7
Centrale Suiker	86.10	—
DAF	30.50	−0.1
DSM	118.10	+0.6
Dordtsche Petroleum	128.00	−0.3
Elsevier	91.70	+0.1
Fokker	48.10	−0.1
Gamma	104.00	−0.8
Gist Brocades	34.90	+0.1
Heineken	130.70	+0.2
Holl. Beton	211.00	−0.5
Hoogovens	72.40	+0.2
Hunter Douglas	95.00	−0.5
IHC Calland	56.00	—
Int Mueller	99.20	+0.4
KLM	36.20	+0.2
Kempen	15.00	—
KNP	45.9	+0.2
NMB Postbank	49.90	−0.2
Nat Ned Cert	73.70	−0.1
Nedlloyd	74.70	−2.1
Nijverdal-Ten Ct	116.80	+0.1
Nutricia Ver B.	99.30	−0.7
Oce Grinten	61.80	−0.4
Ommeren (Van)	45.10	−0.9
Pakhoed	203.00	+0.5
Philips	31.50	+0.8
PolyGram	35.20	+0.2
Robeco	100.00	+0.5
Rodamco	80.60	—
Rolinco	100.50	+0.6
Rorento	59.70	+0.1
Royal Dutch	140.50	−0.2
Unilever	161.00	+0.3
VMF Stork	55.10	—
VNU	101.50	+0.5
Wessanen	75.20	+0.5
Wolters Kluwer	53.00	+0.6

NORWAY

July 3	Kroner	+ or −
Aker A (Free)	122.50	+2.5
Bergesen A	199.00	−1
Ch'stiania Bk Free	160.00	—
Den norske Bank	145.00	—
Dyno Ind.	156.50	+0.5
Elkem (Free)	280.00	−5
Hafsl Nyco A Free	196.00	+2
Kvaerner (Free)	330.00	+5
Nora Indust Free	290.00	+5
Norsk Data A	48.00	−2
Norsk Hydro	192.00	−2
Orkla Borr (Free)	255.0	—
Saga Pet (Free)	126.0	—
Storebrand (Free)	150.00	—
Vard AS A	140.00	—

SPAIN

July 3	Pts.	+ or −
Banco Bilbao Viz	3,550	+35
Banco Central	4,905	+5
Banco Exterior	3,380	+5
Banco Hispano	3,285	−5
Banco Popular	9,450	+80
Banco Santander	5,150	+140
Banesto	4,040	+80
Bodegas Bebidas	4,750	—
Citroen Hispania	10,500	—
Corp Fin Alba	8,100	—
Corp. Mapfre	8,400	+80
Dragados	3,305	+10
Ebro	3,600	—
Electra Viesgo	3,130	+20
Energia Ind Ara	1,810	+35
Ercros	1,375	−10
Esp Carburos Mt	7,420	−40
Esp Acum Tudor	1,410 xr	+20
Fasa Renault	4,558	—
Fecsa	677	−1
Hidroel Cantab.	1,885	+15
Hidrola	544	−1
Iberduero	705	−4
Koipe	4,880	+80
Metal Duro-Felg	1,650	+50
Petroleos (Cia Esp)	2,170	+50
Portland Vald.	24787.5	—
Repsol	2,580	+10
SNIACE	710	+3
Sarrio	1,280	+5
Sevillana Elec.	632	+1
Tabacalera	4,185	−5
Telefonica	873	+3
Union Elec-Fen.	594	−3
Union y el Fenix	9,000	+50
Uralita	3,850	+10
Urbis Ser.2	2,295	—

SWEDEN

July 3	Kroner	+ or −
AGA B (Free)	318	+3
Alfa-Laval B (Free)	283	+3
Asea B (Free)	820	+10
Astra B (Free)	595	+5
Atlas Copco A (Free)	365	+7
Electrolux B (Free)	257	+1
Ericsson B (Free)	1,400	+25
Esselte B (Free)	220	—
Gambro B Free	153	+1
Mo Och Dom B Free	320	−5
Nobel Free	105	+2
Procordia B (Free)	180	—
Saab-Scania B Free	295	+15
Sandvik B (Free)	325	—
Skandia (Free)	202	+3
Skan Enskilda	80	−2.5
SKF B Free	183	−1
Stora Kopp A Free	365	+5
Svka Cell'sa B (Free)	123	+3
Svka Handelsbn.	132	+1
Trelleborg B Fr	172	+2
Volvo B (Free)	340	+10

SWITZERLAND

July 3	Frs.	+ or −
Adia Intl	1,500	−20.0
Do. Ptg Certs.	209	−1.0
Alusuisse Lonza	1,490	+50
Do. Ptg. Certs	118	+6
Baloise Hld Ptg	2,350	+30
Bank Leu	2,510	−40
Do. Ptg.	372	−1
Brown Boveri	5,925	−25
Do. Ptg.	1,095	+25
CS Hldgs.	2,490	—
Ciba Geigy	3,520	+80
Do. (PtCts)	3,070	+70
Elektrowatt	3,490	−30
Elvia	2,100	+30
Fischer (Geo.)	2,300	—
Do Ptg.	390	+7
Forbo	2,770	+10
Holderbank (Br)	7,250	+25
Holzstoff (Br)	5,600	—
Jacobs Suchard	8,200	—
Do. Ptg.	725	−4
Jelmoli	2,270	−10
Do. Ptg. Certs	425	−5
Landis and Gyr	1 435	+5
Do Priority Ptg	136	−1
Mag. Globus Ptg	970	−20
Mikron (Br)	3,150	—
Motor-Columbus	1,815	−20
Nestle	8,850	+25
Do. (Reg)	8,400	+25
Oer-Buhrle	985	−5
Pargesa Hldg	1,520	+35
Pirelli	472	+2
Richemont	9,100	−50
Roche Hldgs (Br)	7,850	—
Do (Genuss)	4,450	+110
Sandoz (Br)	12,400	+525
Do. (PtCts)	2,370	+50
Schindler (Br)	7,400	—
Do. (PtCts)	1,410	+10
Sika	1,010	+10
Survelliance	5,500	−75
Swissair	950	−15
Swiss Bank	315	−1
Do. Ptg.	279	−1
Swiss Reinsce	3,450	−20
Do. Ptg.	614	+2
Swiss Volksbk	1,650	−20
Union Bank	3,540	—
Do. Ptg.	137	−1
Winterthur	4,210	−110
Do. Ptg.	778	−7
Zurich Ins	4,720	+40
Do. Ptg.	2,220	+30

SOUTH AFRICA

July 3	Rand	+ or −
AECI	17.25	—
Allied Tech	70	—
Anglo Am Coal	92	—
Anglo Am Corp	117.5	—
Anglo Am Gold	308	−5
Barlow Rand	36.75	+0.25
Buffels	61	−2.5
CNA Gallo	14	—
De Beers	92	+0.25
Deelkraal Gold	13.25	—
Driefontein	46.5	—
East Rand Gold	11	—
Elandsrand Gold	26.1	+0.1
First Nat. Bank	30	—
Free State Cons Gold	35	−0.75
Gold Fields SA	78	−1
Hartebeest.	22.25	−0.1
Highveld Steel	16.5	−0.25
ISCOR	1.95	—
Kinross Gold	55	—
Kloof Gold	38	−0.5
Libanon Gold	5.1	−0.2
Malcor Hldgs	18.25	—
Nedcor	10.3	+0.05
OK Bazzars	17.75	—
Palabora Mining	78	+0.5
Rembrandt	14	+0.2
Rust Plat.	88.5	−1
Safmarine & Ren.	41	—
Sage Holdings	7.5	—
Smith (CG) Fds	29	−1
SA Brewers	40	+0.5
SA Mang. Amcor	28.75	—
Tiger Oats	25.75	—
Tongaat Hulett	17.7	—
Vaal Reefs	300	−3
Western Deep	129	+1

JAPAN

July 3	Yen	+ or −
Ajinomoto	2,030	−20
Akebono Brake	984	+4
All Nippon Air	1,660	−10
Alps Electric	2,450	+40
Amada	1,760	—
Amano	2,550	+50
Ando Construct	1,620	+50
Anritsu	2,810	+10
Aoki Corp.	1,200	−10
Arabian Oil	9,200	−50
Asahi Breweries	1,790	—
Asahi Chemicals	905	+21
Asahi Glass	1,880	—
Asahi Optical	850	+10
Asics Corp.	796	+6
Atsugi Nylon	1,600	+40
Bank Tokyo	1,460	—
Banyu Pharm	1,240	−40
Bridgestone	1,510	−10
Brother Inds	915	+22
CSK Corp.	6,300	+10
Calpis Food	1,470	−60
Calsonic Corp.	990	—
Canon	1,860	−10
Canon Sales	5,050	+60
Casio Computer	1,590	−30
Central Finance	855	—
Central Glass	802	−28
Chiba Bank	1,200	+20
Chiyoda Chem	2,690	+50
Chiyoda Fire	960	−1
Chubu Elect Pwr	3,300	+80
Chugai Pharm	1,660	+50
Chugoku El Power	2,920	+20
Citizen Watch	1,180	+50
Daicel Chemical	995	+14
Daiichi Seiyaku	2,500	—
Daido Steel	875	+4
Daiei	2,000	−10
Daifuku	2,840	+40
Dai Ichi Kan Bank	2,390	−10
Daikin Inds	2,030	+20
Daikyo Kanko	3,890	−10
Daimaru	1,330	−10
Dai Nippon Ink	684	−1
Dai Nippon Phar	3,160	−50
Dai Nippon Ptg	1,890	+10
Dai-Nippon Toryo	800	+5
Daishowa Paper	3,360	—
Dai Tokyo F&M	1,010	−20
Daiwa Bank	1,430	−20
Daiwa House	2,600	+10
Daiwa Sec	1,500	—
Denny's	3,750	−10
Diesel Kiki	999	+16
Dowa Fire & Mar	1,010	+40
Dowa Mining	970	+56
Ebara	2,080	+60
Eisai	1,880	+10
Ezaki Glico	1,260	—
Fanuc	7,820	+270
Fudo Construct	1,260	+20
Fuji Bank	2,550	−100
Fuji Electric	995	−5
Fuji Film	4,670	+40
Fuji Fire & Mar	1,080	+10
Fuji Heavy Ind	691	+11
Fujikura	925	+5
Fujisawa	2,050	+30
Fuji Spinning	756	−2
Fujita Tourist	3,900	—
Fujitsu Ltd	1,430	−30
Furukawa Elect	855	+14
Gakken	2,060	−20
Gen Sekiyu	1,350	—
Godo Shusei	1,880	+30
Green Cross	1,740	+20
Gun-Ei Chem	1,560	−50
Gunze	1,050	—
Hankyu Corp.	947	−2
Hanshin El Rail	795	+9
Haseko	1,270	−10
Hattori Seiko	5,400	—
Hazama-Gumi	1,410	−20
Heiwa Real Est	1,440	+10
Hino Motors	1,060	−10
Hirose Electric	7,210	+80
Hiroshima (Bank)	1,060	−30
Hitachi	1,490	—
Hitachi Cable	1,200	+20
Hitachi Credit	1,600	—
Hitachi Koki	2,330	+30
Hitachi Maxell	3,440	−10
Hitachi Metals	1,630	+30
Hitachi Sales	1,030	+20
Hitachi Zosen	812	−9
Hokkaido Elect.	2,980	−40
Hokkaido Takush	1,080	—
Hokuriku El Pwr	3,060	+10
Honda	1,750	−30
Honshu Paper	2,900	+100
House Food Ind	2,220	—
Hoya	3,250	—
INI	1,020	−30
Ihara Chemical	1,080	+20
Ikegami Tsush	1,990	−10
Inax	1,800	−10
Indl Bank Japan	3,850	−30
Iseki & Co.	1,020	−10
Isetan	4,500	—
Ishihara Sangyo	795	—
Isuzu Motors	981	−13
Ito(C)	802	−3
Itoham Foods	1,180	+10
Itoman & Co.	1,490	−20
Ito Yokado	3,940	+20
Iwatsu Electric	1,250	−10
Izumiya	2,700	—
JGC Corp.	2,940	+70
JEOL	1,380	+10
Janome Sew Mach	4,930	—
JAL	18,000	+100
Japan Metals	1,720	+40
Japan Radio	2,920	—
Japan Steel Wks	773	+3
Jap S Battery	1,080	+10
Japan Synth Rbr	996	+1
Japan Wool	2,500	+80
Jujo Paper	778	−1
Jusco	2,000	—
Kagome	1,850	+50
Kajima	1,960	—
Kaken Pharm	2,170	−30
Kandenko	4,070	+20
Kanebo	715	−5
Kanegafuchi Chm	906	+1
Kanematsu Corpn.	950	+7
Kansai Elect Power	3,370	+28
Kansai Paint	1,120	−20
Kao Corp	1,570	−10
Kashiyama	2,130	+50
Kawasaki Heavy	859	+2
Kawasaki Kisen	875	+36
Kawasaki Steel	577	+7
Keihin Elec Exp	1,080	−20
Keio Teito Elec	1,110	+40
Kikkoman	1,380	+30
Kinki Elec Cons	3,630	—
Kinki Nippon Rl	1,090	−10
Kirin Brewery	1,860	−20
Kobe Steel	565	−4
Koito Mfg	3,530	+30
Kokusai Electric	5,300	+30
Kokuyo	4,440	−40
Komatsu	1,210	+20
Konica	1,600	−10
Korakuen	3,980	+160
Koyo Seiko	1,390	—
Kubota	1,030	—
Kumagai-Gumi	1,140	—
Kumiai Chemical	1,180	—
Kurabo Inds.	926	+1
Kuraray	1,540	−20
Kureha Chemical	904	−2
Kurita Water	2,470	+20
Kurosaki Refrac	1,040	—
Kyocera	9,080	+180
Kyodo Shiryo	842	—
Kyotaru	2,100	−40
Kyowa Bank	1,220	−20
Kyowa Hakko	1,360	−10
Kyushu Electric	2,960	+10
Lion	985	—
Long Term Cred.	18,700	−300
Maeda Corp	2,080	−40
Makino Milling	1,890	−20
Makita Elect Wk	2,880	+50
Marubeni	741	−4
Marudai Food	1,200	−30
Marui	3,150	+30
Maruichi Steel	2,280	+40
MEI	2,130	—
Matsu Elect. Wks.	2,130	+40
Matsushita Koto	2,740	+20
Matsushita Refrig	1,580	−20
Mazda Motors	920	−5
Meiji Milk	840	−12
Meiji Seika	900	−24
Mikuni Coca Cola	3,230	—
Minebea	1,010	−10
Minolta Camera	971	−4
Misawa Homes	2,760	+20
M'bishi Bank	2,340	—
M'bishi Belting	1,250	+20
M'bishi Corp	1,510	+30
M'bishi Elec	972	−13
M'bishi Estate	1,520	−20
M'bishi Gas Chem	741	+1
MHI	991	−8
M'bishi Kasei	737	−3
M'bishi Metal	897	+18
M'bishi Mtn Cmt	772	+6
M'bishi Oil	1,190	+40
M'bishi Paper	840	+18
M'bishi Petchem	1,180	+10
M'bishi Plastics	1,040	+45
M'bishi Rayon	672	−13
M'bishi Steel	1,600	+50
M'bishi Tst	1,880	—
M'bishi Wareh.	1,750	—
Mitsui Co.	905	+15
Mitsui Eng Ship	910	−8
Mitsui Mng & Sm	801	+51
Mitsui Osk Line	834	+24
Mitsui Petchem	1,090	+10
Mitsui Real Estate	1,820	−10
Mitsui Taiyo Kobe	2,240	—
Mitsui Toatsu	695	+11
Mitsui Tst & Bkg	1,590	—
Mitsui Wareh	1,350	+10
Mitsukoshi	1,770	+10
Mitsumi Elect	1,530	+90
Miyaji Iron Wks	1,060	+50
Mizuno Sporting	1,780	−10
Mochida Pharm	3,730	+30
Morinaga Milk	860	−10
Mori Seiki	4,490	+60
Murata Mfg	3,370	+10
NEC	1,950	−10
NGK Insulators	1,510	—
NGK Spark Plug	1,710	+80
NHK Spring	775	+10
NKK Corp.	605	−4
NOK Corp.	1,210	+20
NTN Toyo Brg	1,020	—
Nachi Fujikoshi	1,020	−10
Nagasakiya	5,990	—
Nagase	1,450	+80
Nagoya Railroad	949	+28
National House	1,850	+30
Nichii	2,150	+40
Nichirei	1,050	−20
Nihon Cement	1,090	−10
Nihon Nosan	720	+12
Nihon Parkeriz.	1,490	−30
Niigata Eng	871	−8
Nikko Sec	1,240	+10
Nikon Corp.	1,690	+10
Nippon Cred Bnk	16,000	−400
Nippon Denko	930	+15
Nippon Denso	2,270	−30
Nippon Elect Gl	2,600	−30
Nippon Express	1,080	+20
Nippon Fire	1,160	+20
Nippon Flour	860	+10
Nippon Hodo	3,380	+110
Nippon Kayaku	1,140	—
Nippon Lt Metal	1,020	—
Nippon Meat Pack	1,680	−10
Nippon Mining	940	+50
Nippon Oil	1,350	+70
Nippon Paint	1,060	+10
Nippon Road	2,050	+20
Nippon Sanso	842	−3
Nippon Seiko	1,070	+10
Nippon Sharyo	1,630	+40
Nippon Sh Glass	887	+2
Nippon Shinpan	1,120	+10
Nippon Shinyaku	1,850	—
Nippon Soda	1,040	—
Nippon Stainless	1,190	—
Nippon Steel	560	−15
Nippon Suisan	865	−12
Nippon TV	34,900	−300
Nippon Yakin	894	−4
Nippon Yusen	880	+12
Nippon Zeon	881	+1
Nishimatsu Cons	1,400	−20
Nissan Diesel	930	−8
Nissan Motor	1,080	−20
Nissei Sangyo	2,580	−10
Nisshin Flour	1,700	−30
Nisshin Oil	1,230	+20
Nisshinbo Inds.	1,370	+50
Nissho Iwai	807	+6
Nissin Electric	1,540	−10
Nissin Food	3,320	−70
Nitsuko	1,570	−10
Nitto Boseki	753	+13
Nitto Denko	1,590	−10
Nomura	2,250	−10
Noritake	1,690	—
Odakyu Elec Rly	1,140	+20
Obayashi-Gumi	1,660	−30
Oji Paper	1,100	+30
Oki Electric	995	—
Okuma Mach	1,840	−10
Okumura-Gumi	1,920	—
Olympus	1,550	−40
Omron Corp.	2,890	+10
Onoda Cement	824	+5
Ono Pharm	5,510	−90
Orient Corp	1,380	+10
Orix Corp.	4,680	+40
Osaka Gas	620	−12
Penta Ocean Con.	1,230	−30
Pioneer	6,440	+50
Prima Meat Pack	753	+2
Renown	1,040	+10
Restaurant Seibu	2,150	−40
Ricoh	1,100	−30
Royal Co	2,690	+20
Ryobi	916	−11
Saitama Bank	1,340	−10
Sanden	1,190	−10
Sankyo	2,570	−10
Sanraku	1,330	—
Sanrio	7,450	+30
Sanwa Bank	2,150	—
Sanwa Shutter	2,240	−20
Sanyo Elect	892	−15
Sanyo Kokusaku	689	+4
Sapporo	1,650	+30
Secom	6,710	+50
Seibu Railway	4,970	+10
Seino Transport	2,160	−10
Seiyu	2,140	+40
Sekisui Chem	1,580	+10
Sekisui House	2,090	+20
Settsu	1,120	+30
Seven-Eleven	7,770	−50
Sharp	1,850	−20
Shikoku El Pwr	2,980	+40
Shimizu Corp.	2,110	−10
Shin-Etsu Chem	1,880	+40
Shionogi	1,470	—
Shiseido	2,410	−10
Shochiku	5,250	+350
Shokusan Jutaku	1,210	—
Showa Aluminium	1,020	+20
Showa Denko	720	+9
Showa Elec Wire	960	+6
Showa Sangyo	880	−10
Showa Shell Sek	1,420	+10
Skylark	2,870	−10
Snow Brand Milk	1,080	+10
Sony	8,870	+10
Stanley Electric	1,160	—
Sumitomo B'lite	760	−5
Sumitomo Bank	2,410	−10
Sumitomo Cement	755	−10
Sumitomo Chem	668	−6
Sumitomo Corp	1,240	−30
Sumitomo Elect	1,570	−10
Sumitomo Heavy	865	—
Sumitomo Light M	770	—
Sumitomo Marine	1,030	—
Sumitomo Met In	566	−4
Sumitomo Met Mng	1,480	+90
Sumitomo Realty	1,570	—
Sumitomo Tr & Bk	1,770	−20
Sumitomo W'hse.	995	—
Suzuki Motor	880	—
TDK	7,500	+100
Taisei Corp	1,340	—
Taisho Marine	1,040	+20
Taisho Pharm	2,240	−10
Taiyo Fishery	695	+21
Takaoka Elect.	1,260	−10
Takara Shuzo	960	−10
Takashimaya	3,050	+100
Takeda	1,690	−10
Tanabe Seiyaku	1,300	−20
Teijin	728	+7
Teikoku Oil	1,200	+10
Tekken Constr.	1,620	−10
Toa Harbour Wks	1,090	—
Tobishima	1,770	−10
Tobu Railway	1,030	—
Toei Co.	1,300	+40
Toho	38,100	+100
Tohoku Electric	2,980	+10
Tokai Bank	1,770	−10
Tokai Carbon	915	+25
Tokico	940	−10
Tokio Marine	1,360	+20
Tokuyama Soda	780	−6
Tokyo B'casting	3,050	+10
Tokyo Electric Pwr	4,190	−10
Tokyo Electron	4,710	+20
Tokyo Gas	736	—
Tokyo Rope	1,360	—
Tokyo Steel	4,780	+80
Tokyo Style	2,330	−20
Tokyu Car	2,750	+120
Tokyu Corp	1,750	+20
Tokyu Land	1,000	−10
Tonen Corp	1,640	—
Toppan Print	1,750	—
Toray	764	−3
Toshiba Elect.	1,070	—
Toshiba Eng Con	1,630	−40
Toshiba Machinery	1,200	—
Toshoku	1,620	−40
Tosoh Corp	724	+10
Toto	2,210	+50
Toyo Construct.	1,030	−10
Toyoda Aut Loom	2,900	−40
Toyo Ink	800	−1
Toyo Jozo	1,460	−10
Toyo Kanetsu	1,300	+20
Toyo Seikan	4,330	+130
Toyota Motor	2,300	−10
Toyo Tire	1,220	+10
Tsubakimoto Chn	1,280	+40
Tsugami	1,410	+120
UBE Inds	657	+17
Unitika	691	−8
Victor (JVC)	2,540	−10
Wacoal	1,360	—
Yamaha Corp	1,970	+20
Yamaha Motor	1,170	+20
Yamaichi Sec	1,270	—
Yamanouchi	2,910	—
Yamatake H'ywell	2,550	+10
Yamato Kogyo	2,450	+100
Yamato Trans	1,290	—
Yamazaki Baking	1,700	−30
Yasuda Fire	1,040	—
Yasukawa Elect.	1,030	—
Yokogawa Elect	1,640	+10
Yokohama Bank	1,330	−20
Yokohama Rubber	1,310	+20
Yomiuri Land	2,750	−50
Yoshitomi Pharm	1,770	+20
Yuasa Battery	1,320	—

AUSTRALIA

July 3	Aust$	+ or −
AFP	1.75	−0.01
AWA	0.52	+0.06
Aberfoyle	5.10	+0.04
Adelaide Steams	5.30	+0.2
Amcor	4.31	−0.02
Ampol Expl	2.36	—
Arnotts	4.94	+0.04
Ashton	1.61	+0.02
ANZ Group	4.82	—
Aust. Gas Light	1.87	+0.02
Aust Nat Inds	1.67	+0.01
BHP	9.54	+0.18
BHP Gold	0.37	—
BTR Nylex	2.83	+0.02
Bond Corp Hldgs	0.13 #	
Boral	3.46	+0.03
B'ville Copper	0.95	+0.05
Brambles Inds	13.90	+0.1
Bridge Oil	0.75 xr	—
Brierley Inv	1.32	+0.03
Bundaberg Sugar	3.75	+0.05
Burns Philp	3.24	+0.04
CRA	12.25	+0.05
CSR	5.38	+0.04
Caltex Aust.	2.60	—
Coal Allied Ind	9.50	−0.2
Coca Cola Amatil	11.75	+0.2
Coles Myer	7.78	+0.18
Comalco	4.05	—
C'wealth Ind Gas	5.70	+0.7
Crusader	0.75	—
Dominion Mng	0.86	+0.02
Elders IXL	1.73	+0.02
Email	3.36	−0.04
Energy Res	2.10	+0.1
FAI Insurances	1.90	+0.05
Fletcher Challnge	3.20	+0.02
Gen Prop Trust	2.73	+0.01
Goodman Fielder	1.54	+0.03
Hardie (J)	2.61	+0.01
ICI Aust	4.60	−0.03
Jennings Group	1.60	−0.02
Jones (David)	8.30	+0.1

AUSTRALIA (continued)

July 3	Aust$	+ or −
Kidston Gold	2.55	+0.05
Lend Lease	13.60	+0.2
MIM	2.32	+0.05
Mayne Nickless	5.84	+0.04
Metal Manuf	2.45	+0.05
Minproc Hldgs	0.78	−0.04
Nat. Aust. Bank	6.48	+0.08
Newmont Aust.	0.88	−0.02
News Corp	11.90	+0.45
N Bkn Hill Peko	2.43	+0.06
Oakbridge	0.86	−0.02
Pacific Dunlop	5.06	+0.02
Pancont'l	2.02	+0.02
Pasminco	2.25	+0.09
Pioneer Intl.	2.26	+0.05
Placer Pacific	2.60	+0.02
Poseidon	2.12	+0.02
QCT Resources	1.40	+0.01
Renison Gldfds	8.80	—
Rothmans Aust.	10.05	−0.1
SA Brewing	2.55	—
Santos	4.18	+0.08
Smith (H.)	5.32	+0.02
Stockland Tst	2.02	+0.02
TNT	2.70	—
Wesfarmers	3.65	+0.04
Western Mining	4.66	—
Westfield Hldg	2.31	—
Westfield Tst	1.78	+0.02
Westpac	4.72	+0.02
Woodside Petrol	2.72	+0.02
Woolworth Intl	2.87	—

HONG KONG

July 3	H.K.$	+ or −
Amoy Props.	3.47	−0.03
Bank East Asia	15.50	—
Cathay Pacific	9.85	+0.3
Cheung Kong	13.10	+0.2
China Light	14.90	+0.2
China Motor	23.70	+0.1
Cross H'bour Tnl	14.20	—
Dao Heng Hldgs	1.95	+0.01
Evergo	3.75	−0.12
Hang Lung	5.80	−0.05
Hang Seng Bank	21.30	+0.3
Harbour Centre	8.85	+0.05
Henderson Inv.	2.35	+0.03
Henderson Land	8.25	+0.05
HK Aircraft	20.50	+0.3
HK China	12.10	—
HK Electric	8.80	−0.05
HK Land	8.60	+0.15
HK Realty & Tr A	4.87	−0.03
HK Shanghai Bank	6.10	+0.15
HK Shanghai Hotels	5.20	+0.05
HK Telecomms.	6.35	+0.05
Hopewell Hldgs	3.27	+0.02
Hutchison Wpa	12.20	+0.2
Hysan Dev	1.34	+0.02
Indust Equity P	11.00	—
Jardine Math	33.25	+1
Jardine Strtgic	17.80	+0.2
Kowloon Motor	6.70	+0.2
Mandarin Orient	6.05	−0.15
New World Dev	11.60	—
Realty Dev A	6.80	+0.1
SHK Props	15.30	+0.1
Shaw Bros.	4.30	−0.02
Shell Elec.Mfg	2.50	−0.05
Sime Darby	3.65	−0.02
Sun Hung Kai Co	2.75	+0.05
Swire Pac A	20.90	−0.2
Do. B	3.62	+0.02
Tele B'cast	9.10	−0.05
Wharf Hldgs	8.75	+0.2
Wing On Co	7.40	+0.05
Winsor Ind	8.55	−0.05
World Intl Hldgs	4.42	+0.02
Zung Fu	4.55	+0.23

MALAYSIA

June 29	MYR	+ or −
Boustead Hldgs	2.86	—
Genting	13.70	—
Hong Leong Cred	6.15	−0.05
Malayan Banking	12.70	−0.1
Malayan Utd Ind	2.23	−0.03
Multi Purpose	1.53	−0.02
Public Bank	1.65	−0.03
Sime Darby	4.16	−0.06

SINGAPORE

July 2	S$	+ or −
Cold Storage	4.72	—
DBS	12.50	−0.3
Fraser & Neave	8.65	−0.05
Haw Par Bros	2.75	+0.01
Inchcape Bhd	5.15	—
Keppel Corp.	7.60	—
OCBC	10.10	+0.1
OUB	5.40	+0.05
S'pore Air Free	18.10	+0.1
Singapore Press	7.80	−0.15
Straits Trading	3.36	+0.02
Tat Lee Bank	3.66	−0.04
UOB	6.45	+0.05

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. # Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO

Closing prices July 4

Sales	Stock	High	Low	Close	Chng
10879	Abitibi Pr	$15⅞	15⅞	15⅞	
500	Acklands	$8	8	8	
3700	Agnico E	$8⅛	8	8	
37066	Albrta En	$15¾	15⅝	15¾	
52800	Albrta N	$16⅞	16⅞	16⅞	+⅛
32162	Alcan	$27	26¾	26⅞	+⅛
31430	A Barrick	$29⅛	29	29⅛	−⅛
1500	Alco I f	$10⅝	10⅝	10⅝	−⅛
85682	BCE Inc	$39¼	38⅞	39	+¼
7000	BCE D	36	36	36	
3000	BCE Mobl	$22¼	22¼	22¼	−⅛
11500	BC Sugar A	$15⅛	15⅛	15⅛	
500	BGR A	$9⅝	9½	9½	
10800	BP Canada	$18⅛	18	18⅛	−¼
113986	Bk Montl	$28¼	27⅞	28⅛	+⅛
26220	Bk NScot	$14⅛	14⅛	14⅛	+⅛
26000	Belmoral	26	25	26	
2000	Bombdr A	$19¼	19⅛	19¼	+⅛
41775	Bombdr B	$19⅜	19⅛	19¼	+⅛
1440	Bow Valy	$12¾	12⅝	12¾	+⅛
7250	Bramalea	$12¼	12	12¼	−¼
25650	Brascan A	$20⅝	20½	20½	−⅛
168100	Brkwater	169	158	165	
33169	BC Phone	$18¼	18⅛	18¼	
3175	Bruncor	$17	16⅞	16⅞	−⅛
20749	CAE	$6⅝	6⅝	6⅝	−⅛
1000	CCL B f	$9⅛	9⅛	9⅛	
11500	CFCF	$9	9	9	+½
25300	Cambior	$12⅛	11⅞	12⅛	+⅛
500	Cambridg	$27⅛	27⅛	27⅛	
1000	Camp Res	70	70	70	
36982	Campeau f	150	140	150	+10
2000	C Nor West	140	130	140	+15
52400	C Express f	37	36½	37	+2
39154	CI Bk Com	$27¼	26⅞	27⅛	+½
2300	C Occidentl	$18¾	18⅝	18⅝	
130081	CP Ltd	$20⅜	20¼	20⅜	+¼
62960	CTire A f	$20⅛	19⅞	20⅛	+¼
6400	CUtil A f	$19⅞	19¼	19⅞	+⅛
200	CUtil B	$19⅞	19⅞	19⅞	+¼
5300	Canamax o	130	128	130	+10
400	CanamA f	410	405	405	−5
4900	Canfor	$28⅛	28⅛	28⅛	−¼
50	Cara	$17⅝	17⅝	17⅝	
500	Cara A f	$16¾	16¾	16¾	−⅛
3000	Carena	$20	20	20	−¼
100	Celanese	$30¾	30¾	30¾	
4000	Cen Capital	$10	9⅞	9⅞	−⅛
12400	CenCap A	$8	7¾	7¾	−¼
200	CentFd A	$5⅝	5⅝	5⅝	
1800	CHUM B f	$21	21	21	
800	Cineplex	$6	5⅞	5⅞	−⅛
5775	Cominco	$28¼	28	28¼	+⅛
200	Computing	340	340	340	
62000	Con TVX	405	390	405	+15
744	Cnsum Gas	$31	31	31	
1222	Cnsum Pkg	$8	8	8	
2	Conwest B	$14¾	14¾	14¾	
300	Corby A	$30¾	30¾	30¾	+¼
59181	Corona A f	$7⅝	7½	7⅝	
100	Coscan	$10	10	10	
2900	Crownx A f	$6⅝	6½	6½	
2500	Denison B f	125	122	125	
10400	Dertan	$7¾	7¾	7¾	−¼
144	Dickman A f	460	460	460	−15
21700	Dofasco	$23¼	22⅞	23¼	+⅜
6384	D Textile	$12	11⅞	12	+⅛
1061	Domtar	$12⅝	12½	12½	−⅛
6000	Du Pont A	$28½	28½	28½	
10700	Dylex A	400	400	400	+5
6100	Echo Bay	$15¼	15⅛	15⅛	
550	EmpireA f	$12¾	12¾	12¾	−¼
22700	Enfield	240	240	240	−5
18500	EquitySv A	160	152	160	
1200	FPI Ltd	$5⅜	5⅜	5⅜	
800	Fin Trsco	12	12	12	
350	Fed Ind A	$13⅞	13¾	13⅞	+⅛
1150	Finning L	$16⅞	16¼	16¾	
200	FCity Fin	$9½	9½	9½	
100	FMarathA f	$7⅞	7⅞	7⅞	
150	Fortis	$20¼	20¼	20¼	
400	FourSeasn f	$18½	18½	18½	−¼
19600	Franco o	$19¼	18¾	19¼	+⅝
20	GW Util	$35⅛	35⅛	35⅛	
37370	Galactic	370	360	360	−10
1900	Gendis A	$20⅞	20¾	20¾	−½
1000	Goldcorp f	435	435	435	+5
2250	Grd Knight	$14⅞	14¾	14⅞	+⅛
9000	Granges	167	167	167	−3
1100	Greyhnd	$31⅛	31⅛	31⅛	−⅜
17747	Gulf Res	$15⅜	15¼	15⅜	−⅛
31700	Haley	295	295	295	−15
500	Harris A	425	425	425	−10
234	Hayes D	$12¼	12¼	12¼	
3400	Hees Intl	$24¼	24	24¼	+¼
18500	Hemlo	$12⅞	12¾	12⅞	+⅛
24466	Hollingr	$13¾	13¾	13¾	
6400	Horsham f	$10⅜	10⅜	10⅜	
666	H Bay Co	$30⅞	30⅞	30⅞	
21000	Imasco L	$36⅝	36½	36½	−⅛
8702	Imp Oil A	$55	54½	55	+½
38586	Inco	$34½	34⅛	34¼	+¼
4606	Interhome	$50	50	50	+⅛
1200	Inv Grp	$23⅞	23⅞	23⅞	+⅛
10676	Iveco A f	$9⅞	9⅝	9⅝	
1900	Jannock	$15¾	15½	15¾	
7000	Kerr Add	$19½	19½	19½	+¼
4045	Labatt	$22¼	22⅛	22⅛	−¼
30577	Lac Mnrls	$11⅛	10⅞	11	
318	Lafarge p	$21½	21½	21½	−½
4022	Laidlaw A	$27¼	27	27¼	
208137	Laidlw B f	$27¼	26⅞	27¼	+⅛
659	Laur Bk	$15	14¾	14¾	
3000	Laur Gr B	$8	8	8	
1700	LawsnM A	$10⅜	10⅛	10⅜	+¼
23710	Loblaw Co	$17	16¾	17	
500	MDS A	$14	14	14	−¼
200	MDS B	$14	14	14	−¼
8255	Mac Kenzie	$7⅛	7⅛	7⅛	
6302	Macmilan	$18	17¾	18	
5800	Magna A f	360	345	345	−15
476	Maritime f	$17⅛	17⅛	17⅛	+⅛
8124	Mark Res	$11	11	11	
274	Minnova	$17⅜	17⅜	17⅜	−⅛
3400	Mitel Corp	255	255	255	
11949	Molson A f	$39½	39¼	39⅜	+⅛
100	Molson B	$39¼	39¼	39¼	−¼
14475	Moore	$35	34⅝	34⅝	−⅜
61000	Muscocho	8	7½	8	+1
69496	Nat Bk Can	$9⅝	9½	9⅝	−⅛
893	NewTel Ent	$16⅞	16¾	16⅞	+⅛
3400	Noma A	$8¼	8	8¼	+⅛
79500	Norande F	$11	10¾	11	
103376	Noranda	$20⅝	20⅜	20½	+¼
11364	Norcen	$24¾	24⅜	24¾	
800	Norcn A f	$22⅞	22⅝	22⅝	−⅛
11102	NC Oils	$18	18	18	−¼
47950	Nor Tel	$33⅛	33	33	−⅛
175530	Nova f	$8¾	8⅝	8¾	
13137	Noverco	$15⅛	15⅛	15⅛	
700	Numac	$6½	6⅜	6½	+⅛
2000	Ocelot B f	$9⅛	9⅛	9⅛	
2450	Onex f	$12⅛	12⅛	12⅛	+⅛
17000	Oshawa A f	$30¾	30¼	30¾	+⅜
1800	PWA Corp	$9⅝	9½	9½	+⅛
70050	Pgurin A f	$7⅝	7⅝	7⅝	
12100	PanCan P	$28¾	28¾	28¾	
7000	Pegasus	$12¼	12¼	12¼	
200	PJewl A f	$10	10	10	
1200	Pioneer M	7	7	7	+1
60687	Placer Dm	$18⅝	18⅜	18⅝	+⅛
18073	Poco Pet	$6⅞	6¾	6¾	
16800	Powr Cor f	$15	14⅞	15	+⅛
300	Power Fin	$18⅜	18⅜	18⅜	−⅛
600	Provigo	$9	9	9	+¼
714	Que Tel	$14⅞	14¼	14⅞	+⅛
100	Quebcor A	$12	12	12	−¼
27850	Ranger	$7⅛	7	7⅛	+⅛
1000	Rayrock f	$8¼	8¼	8¼	+¼
86706	Renaisance	$15	14⅞	14⅞	+⅛
20785	Rio Algom	$19⅞	19⅞	19⅞	
3085	Rogers B f	$8¼	8⅛	8¼	+⅛
500	Roman	$8¾	8¾	8¾	+¼
152596	Royal Bnk	$23⅜	23⅛	23¼	+½
19377	Ry Trco	$15⅛	15⅛	15⅛	−⅜
61274	SHL Syst	$9⅛	8⅝	8⅞	+½
159063	Saskoil	$13¾	13⅝	13⅝	
11159	Sceptre	355	350	355	
6400	Scot Paper	$18⅜	18⅜	18⅜	+⅛
3675	Scotts f	$15¼	15¼	15¼	
22850	Seagram	$98½	98	98½	+⅜
706834	Sears Can	$11⅝	11½	11⅝	+⅛
3000	ShawC B f	$10⅜	10¼	10⅜	+⅛
7662	Shell Can	$38½	38⅛	38½	+¼
146560	Sherritt	$7⅞	7⅞	7⅞	
14400	Sonora	65	65	65	+3
2350	Southam	$25¼	25⅛	25⅛	−⅛
2180	Spar Aero f	$9⅞	9¾	9¾	+⅛
4960	Stelco A	$16¾	16⅝	16⅝	
1800	TCC Bev	$12⅞	12¾	12¾	
6776	Teck B f	$24⅛	23⅞	24⅛	+¼
500	Tembec A	$10	10	10	−⅛
22050	Terra Mn	14	13	13	+1
27392	ThomCor	$15⅜	15⅛	15¼	+⅛
113602	Tor Dm Bk	$18⅝	18⅛	18½	+¼
15350	Tor Sun	$21	20½	21	+¼
6742	Torstar B f	$27⅛	27	27⅛	
15450	Total Pet	$32¼	32¼	32¼	−⅛
44140	TrnAlta U	$12½	12¼	12¼	−⅛
21892	TrCan PL	$16⅛	16	16⅛	+⅛
3930	Trilon A	$17¾	17⅝	17⅝	−¼
1800	Trimac	$6⅞	6¾	6¾	
625	Trizec A f	$19	18¾	19	
1000	Unicorp A	200	200	200	
7363	U Entprise	$13⅛	12⅞	13⅛	+⅛
12520	Varity C	360	355	360	−5
13650	Viceroy R	410	410	410	
506	WIC B f	$13	13	13	
13000	Weldwood	$17½	17½	17½	−⅛
200	Wst Fraser	$20	20	20	−½
5000	Wcoast E	$20½	20⅛	20½	+¼
500	Westmin	$5⅛	5⅛	5⅛	+½
14300	Weston	$40½	40¼	40½	+¼
6821	Woodwd A	142	137	142	+2

f—No voting rights or restricted voting rights.

MONTREAL
Closing prices July 4

Sales	Stock	High	Low	Close	Chng
900	BombrdrA	$19½	19⅛	19½	+½
36490	BombrdrB	$19½	19⅛	19⅜	+⅜
100800	Cambior	$12⅛	11⅞	12⅛	+⅛
4800	Cascades	$4.00	3.90	3.90	
2600	DomTxtA	$12	11⅞	12	+¼
1350	Donohue	$11½	11½	11½	−⅛
290	Memotec	$08¾	08¾	08¾	
62828	NatBk Cda	$09⅝	09½	09½	−⅛
7404	Noverco	$15¼	15⅛	15¼	+⅛
15545	Power Corp	$16⅛	14⅞	15	+⅛
2723	Provigo	$09	08⅞	09	+¼
1800	Quebecr B	$11½	11½	11½	−⅛
8920	Videotron	$13⅝	13½	13⅝	

Total Sales 3,884,190 shares.

INDICES

NEW YORK

DOW JONES	July 3	July 2	June 29	June 28	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
◆Industrials	2911.63	2899.26	2880.69	2878.71	2935.89 (15/6)	2543.24 (30/1)	2935.89 (15/6/90)	41.22 (2/7/32)
Home Bonds	91.11	91.09	90.77	90.88	93.04 (3/1)	88.48 (2/5)	—	—
Transport	1140.51	1144.16	1144.34	1142.70	1212.77 (6/6)	1031.83 (30/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	208.94	209.57	210.01	208.63	236.23 (2/1)	203.09 (30/4)	236.23 (2/1/90)	10.50 (8/4/32)

◆Day's High 2925.74 (2908.66) Low 2891.09 (2869.80)

STANDARD AND POOR'S	July 3	July 2	June 29	June 28	1990 HIGH	1990 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	360.16	359.54	358.02	357.63	367.40 (4/6)	322.98 (30/1)	367.40 (4/6/90)	4.40 (1/6/32)
Industrials	423.73	422.50	420.52	420.25	428.34 (4/6)	371.92 (30/1)	428.34 (4/6/90)	3.62 (21/6/32)
Financial	28.91	29.00	28.93	28.87	31.87 (3/1)	26.59 (27/4)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	196.61	196.22	195.48	195.18	200.21 (4/6)	178.43 (30/1)	200.21 (4/6/90)	4.46 (25/4/42)
Amex Mkt. Value	360.67	360.14	361.21	358.57	382.45 (5/1)	342.64 (24/4)	397.03 (10/10/89)	29.31 (9/12/72)
NASDAQ Composite	461.76	462.04	462.28	460.38	468.86 (13/6)	410.72 (30/1)	485.73 (9/10/89)	54.87 (31/10/72)

	June 29	June22	June15	year ago (approx.)
Dow Industrial Div. Yield	3.74	3.77	3.67	3.70
	June 27	Jun 20	June13	year ago (approx.)
S & P Industrial div. yield	2.97	2.93	2.90	3.09
S & P Indl. P/E ratio	16.70	16.87	17.07	12.97

NEW YORK ACTIVE STOCKS

Tuesday	Stocks traded	Closing price	Change on day
Philip Morris	2,674,100	48	+ ⅛
Cen Me Pwr (od)	2,302,700	18¼	+ ⅛
Entergy Corp	1,987,900	20	+ ⅛
Gen Instruments	1,959,000	45⅝	+ ½
SCE Corp	1,470,000	37⅝	+ ⅛
Panhandle	1,451,500	23½	− ⅝
Mattel	1,347,500	22½	+ ⅝
Am T & T	1,240,500	38⅜	− ⅛
Am Express	1,187,600	31⅛	+ ⅛
Beverly Ent	1,150,800	6¼	+ ⅛

TRADING ACTIVITY

† Volume Millions	July 3	July 2	June 29
New York	130.050	130.200	145.500
Amex	11.562	9.518	13.024
NASDAQ	(u)	114.153	158.811
Issues Traded	1,973	1,981	1,994
Rises	828	780	966
Falls	650	739	572
Unchanged	495	462	456
New Highs	70	52	56
New Lows	41	43	47

CANADA

TORONTO	July 4	July 3	July 2	June 29	1990 HIGH	1990 LOW
Metals & Minerals	3296.80	3262.20	(c)	3208.50	3453.05 (4/1)	2850.80 (23/4)
Composite	3575.30	3560.00	(c)	3544.00	4009.47 (3/1)	3334.20 (1/5)
MONTREAL Portfolio	1852.48	1841.50	(c)	1833.26	2060.90 (3/1)	1720.25 (27/4)

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds.‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	July 3	July 2	June 29	June 28	1990 HIGH	1990 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1512.8	1496.6	1508.7	1494.6	1713.7 (12/1)	1434.5 (30/4)
All Mining (1/1/80)	718.6	711.7	715.5	712.8	860.8 (5/1)	711.7 (2/7)
AUSTRIA						
Credit Aktien (30/12/84)	615.67	605.82	603.80	609.22	708.29 (19/3)	526.59 (2/1)
BELGIUM						
Brussels SE (Cash Mkt) (1/1/80)	6281.62	6286.29	6263.04	6251.49	6599.43 (12/1)	5568.16 (26/2)
DENMARK						
Copenhagen SE (3/1/83)	378.10	376.55	377.14	378.15	382.50 (15/6)	352.96 (25/4)
FINLAND						
Unitas General (1975)	539.0	540.9	546.8	549.3	677.3 (23/1)	539.0 (3/7)
FRANCE						
CAC General (31/12/82)	543.99	542.88	545.08	543.68	564.62 (30/5)	482.94 (26/2)
CAC 40 (31/12/87)	2031.98	2029.54	2035.03	2038.41	2129.32 (20/4)	1800.32 (26/2)
GERMANY						
FAZ Aktien (31/12/58)	807.32	805.18	795.64	806.71	830.92 (3/4)	732.71 (24/1)
Commerzbank (1/12/53)	2330.30	2325.6	2297.3	2329.8	2414.0 (3/4)	2151.5 (24/1)
DAX (30/12/87)	1906.23	1915.30	1879.90	1895.17	1968.56 (30/3)	1756.41 (24/1)
HONG KONG						
Hang Seng Bank (31/7/64)	3356.55	3319.47	3278.24	3273.28	3356.55 (3/7)	2738.24 (1/2)
IRELAND						
ISEQ Overall (4/1/88)	1687.73	1699.17	1689.11	1686.49	1893.10 (22/1)	1582.61 (2/5)
ITALY						
Banca Com. Ital. (1972)	741.38	745.11	753.76	752.19	763.52 (14/6)	646.73 (26/2)
JAPAN						
Nikkei (16/5/49)	32414.60	32160.23	31940.24	32106.19	38712.88 (4/1)	28002.07 (2/4)
Tokyo SE (Topix) (4/1/68)	2349.48	2348.70	2343.36	2350.48	2867.70 (4/1)	2058.82 (5/4)
2nd Section (4/1/68)	4203.67	4189.90	4200.81	4178.62	4284.68 (9/2)	3313.92 (5/4)
MALAYSIA						
KLSE Composite (4/4/86)	(c)	(c)	584.65	586.59	622.20 (20/2)	518.53 (2/5)
NETHERLANDS						
CBS Ttl.Rtn.Gen.(End 1983)	266.3	266.1	266.5	266.7	269.0 (3/1)	240.1 (26/2)
CBS All Shr (End 1983)	198.3	198.2	198.5	198.9	206.3 (3/1)	184.2 (26/2)
NORWAY						
Oslo SE (Ind) (2/1/83)	824.00	823.94	825.62	822.74	859.05 (5/6)	781.67 (2/1)
PHILIPPINES						
Manila Comp (2/1/85)	852.45	870.17	882.98	895.41	1160.70 (21/3)	740.31 (6/6)
SINGAPORE						
SES All-Singapore (2/4/75)	(c)	432.28	434.20	437.78	443.34 (6/2)	401.34 (30/4)
SOUTH AFRICA						
JSE Gold (28/9/78)	1574.0	1581.0	1522.0	1580.0	2230.0 (16/1)	1322.0 (20/6)
JSE Industrial (28/9/78)	2973.0	2966.0	2963.0	2955.0	3211.0 (6/2)	2794.0 (25/4)
SOUTH KOREA**						
Korea Comp Ex. (4/1/80)	745.04	713.18	720.00	732.64	928.82 (4/1)	688.66 (30/4)
SPAIN						
Madrid SE (30/12/85)	298.68	297.25	295.80	295.15	302.85 (4/1)	248.17 (2/4)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	1320.8	1309.9	1309.7	1302.6	1320.8 (3/7)	1127.20 (2/4)
SWITZERLAND						
Swiss Bank Ind. (31/12/58)	837.3	829.1	830.0	823.3	837.3 (3/7)	737.6 (27/3)
TAIWAN**						
Weighted Price (30/6/66)	4905.87	(c)	5157.45	(c)	12495.34 (10/2)	4905.87 (3/7)
THAILAND						
Bangkok SET (30/4/75)	1087.53	1082.67	1060.22	1057.06	1087.53 (3/7)	760.39 (7/2)
WORLD						
M.S. Capital Intl. (1/1/70)	(u)	523.0	520.4	518.5	571.0 (4/1)	468.3 (2/4)

**Saturday June 30: Taiwan Weighted Price: 5049.58. Korea Comp Ex. 706.79

& Subject to official recalculation.

Base values of all indices are 100 except: Brussels SE, ISEQ Overall and DAX – 1,000, JSE Gold – 255.7, JSE Industrials – 264.3 and Australia All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Tuesday July 3 1990

	Stocks Traded	Closing Prices	Change on day
Citizen	13.6m	1,180	+50
Honshu Paper	12.4m	2,900	+100
Chiyoda Corp	9.5m	2,690	+50
Tokyo Steel	8.8m	4,780	+80
Nippon Steel	8.6m	560	−15
Sekisui Chem	7.9m	1,580	+10
Shin-etsu Chem	6.5m	1,880	+40
Kyocera	4.5m	9,080	+180
Asahi Organic	4.4m	1,520	+60
Daikin Industries	4.3m	2,030	+20

4pm prices July 3

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
		– A – A – A –								
37½	19	AAR	.48	2.1	15	86	23⅝	23⅛	23¼	– ⅜
9¾	8	ACM n	1.01	12.		412	8⅞	8⅝	8¾	
11⅝	9⅞	ACMIn	1.26	12.		648	10¼	10⅛	10½	– ⅛
9¼	7⅛	ACM M	n1.08	13.		454	8¼	8	8	
12⅛	10	ACMMM				113	11	10¾	11	+ ⅛
11½	9⅜	ACM Sc	1.28	13.		808	10⅛	10	10	
9⅞	8⅛	ACMSp	1.01	12.		667	8⅝	8¼	8¼	
24⅝	14⅞	AL Lab	.16	.7	21	41	23¼	23	23¼	+ ⅛
5¾	2⅛	AM Intl				304	2½	2⅜	2½	
23¼	10¼	AM In pf	2	16.		15	12⅜	12⅛	12¼	
107¼	52½	AMR			12	1482	64¼	63	63	–1¼
4¾	3	ARX				22	3½	3½	3½	– ⅛
72¾	40½	ASA	3a	6.6		1123	46⅞	45½	46⅞	+ ¾
42¼	28⅞	AbtLab	s.84	2.0	21	6811	41⅞	41	41¾	+ ¾
15½	11¼	AbitIbi g	.50			303	13½	13½	13½	+ ⅛
12⅛	8	AcmeC	.40	5.0	9	182	8¼	d 7⅞	8	– ⅛
9⅝	7⅝	AcmeE	.32	3.8	10	7	8½	8¼	8½	+ ¼
41⅞	28⅛	Acuson			24	999	41⅛	40¾	41⅞	+ ⅞
16½	13¾	AdaEx	2.08e	13.		137	16¼	16	16⅛	
15⅝	10	Adobe				44	11½	11⅜	11⅜	
20¼	18	Adob pf	1.84	9.4		1	19½	19½	19½	
21⅝	20⅛	Adob pf	2.40	12.		4	20⅝	20⅝	20⅝	+ ⅛
11⅜	8⅞	AMD			20	2017	9¾	9½	9½	– ¼
33¼	28⅛	AMD pf	3	9.6		18	31¾	31⅞	31⅞	– ⅛
10⅛	3⅜	Advest	.16	3.8	55	57	4⅜	4¼	4¼	– ⅛
62½	45¼	AetnLf	2.76	5.3	9	630	52¾	52	52⅛	– ⅝
13⅞	9¾	AflPb	.24	2.3		345	10¾	10½	10½	– ⅛
25	16⅛	Ahmans	.88	4.2	10	2406	21¼	21	21	+ ¼
3⅝	1⅞	Aileen				5	2⅜	2⅜	2⅜	
58	40	AirPrd	1.44	2.5	15	347	58⅞	56⅞	56¾	+ ½
24⅛	14	AirFrt s			15	288	23⅛	22¾	23	+ ½
26⅛	15½	Airgas			31	161	19¾	19⅝	19¾	+ ⅛
20¾	16½	Airlease	2.52	14.	9	48	18⅛	17¾	17¾	– ¼
10¾	9⅛	AlaP dpf	.87	9.3		14	9½	9⅜	9⅜	
[illegible]										

Continued on page 37

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
15⅞	14	REIT	1.42	9.6	12	51	15	14¾	15	+ ⅛
16⅛	13⅜	RltRef	1.72	12.	5	8	14⅛	13⅞	14⅛	+ ⅛
12⅞	4⅞	RecnEq				219	5⅞	5¼	5¼	− ⅛
20	12⅝	Reebok	.30	1.7	12	1597	18⅛	17⅞	18	+ ⅛
12⅛	7⅞	Reece	.05j			2	7⅞	7⅞	7⅞	
½	9-32	Regal				253	⅜	11-32	⅜	+1-16
16⅞	10	RelchTg	1.52	14.	6	75	10⅝	10½	10½	+ ⅛
25⅞	17½	Repsol	n.84e	3.3		814	25⅝	25⅜	25⅝	+ ⅛
5½	3½	RepGyp	.19t	4.9	30	24	3⅞	3¾	3⅞	+ ⅛
52⅞	42½	RepNY	1.32	2.7	348	46	48⅞	48½	48⅞	+ ⅜
11⅞	1⅛	Rvene				22	2⅛	2⅝	2⅝	
27⅛	18¾	ReyRey	.80	3.9	9	102	20⅝	19⅞	20⅝	+1
60⅛	46½	ReyMtl	1.80	3.0	7	3290	59⅞	59	59⅞	+ ⅞

12 Month High	12 Month Low	Stock	Div.	Yld.	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
35	9¼	StorTc n			21	2758	35¼	34½	34⅝	− ⅜
35¼	19¾	Stratus			16	706	25⅞	25⅝	25⅞	− ¼
30¼	19½	StridRt	.40	1.4	15	1357	28	27⅞	27⅞	+ ⅝
35	23	SturmR	1	3.8	10	80	26⅞	26½	26½	
9⅝	5	SuavSh			42	242	u 9¾	9⅛	9⅝	+ ½
10½	7⅞	SunDis	n1.10	12.		124	8⅞	8⅝	8⅞	
4⅞	3	SunDisB				94	3⅝	3½	3⅝	+ ⅛
24⅞	13½	SunEl				469	21½	21	21⅛	+ ⅛
15⅝	10⅛	SunEng	1.35e	12.	36	75	10⅞	10½	10⅞	+ ⅜
43¼	35⅛	SunCo	1.80	4.9	69	876	37¾	36¾	37	− ⅝
41¼	29	Sunar s	1.10	3.1	11	633	36½	35	35⅞	+ ½
4¼	2⅞	SunMn				592	3⅛	3	3⅛	
9⅝	8¾	SunM	pf1.19	14.		78	8⅝	8⅝	8⅝	+ ⅛

Sales figures are unofficial.Yearly highs and lows reflect the previous 52 weeks plus the current week, but not the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months.g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months,plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales infull. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

4pm prices July 3

Stock	Div.	P/E	Sls 100s	High	Low	Close	Chng
Pitwy A	.70	13	174	30⅛	29⅞	29⅞	+ ⅛
PlyGem	.12	13	98	7½	7¼	7¼	
Presd B		100	5	6⅝	6⅝	6⅝	− ⅛
Presd A	.10		416	6⅞	6⅞	6⅞	
ProCom			35	3⅜	3¼	3⅜	
— R—R —							
Riedel			23	13	12⅝	12⅞	− ⅛
Rogers	.12	39	12	22¾	22½	22¾	
Rudick	.40a	12	53	28	27⅝	28	+ ¼
— S—S —							
SJW	1.88	16	2	24	24	24	+ ⅛
Scheib	.36	145	1	14½	14½	14½	+ ⅛
StdCp	.50	10	0	129	129	129	−2
SikesA	.24	20	3	16	16	16	
SoUCo n			157	18½	18¼	18¼	− ¼
Speling		38	6	8⅝	8¼	8¼	− ¼
SterlEl	.04e	238	66	2⅞	2¾	2⅞	+ ⅛
Summa			322	3⅝	3⅜	3½	− ⅛
Synaloy	.40	6	34	8⅝	8½	8½	
— T—T —							
TIE			84	¼	¼	¼	
TII			11	1⅛	1⅛	1⅛	− ⅛
TabPrd	.20	23	3	15⅞	15⅞	15⅞	− ⅛
TandyB		14	64	22	21½	21½	− ¼
TelDta	.28	76	150	37¼	36¾	37¼	+1
Teleph		21	553	5	4¾	5	+ ⅛
Thermd		108	198	15¼	15	15⅛	− ⅛
Thrlns		21	63	15¼	15⅛	15¼	− ⅛
TotlPet	.80	27	89	28	27⅞	28	+ ⅛
TwCty		13	486	7½	7¼	7½	+ ⅛
TubMex			25	5⅛	5	5⅛	+ ⅛
— U—U —							

NASDAQ NATIONAL MARKET

3pm prices July 3

Stock	Div.	P/E	Sales 100s	High	Low	Last	Chng
—X—Y—Z—							
XL Dta		9	365	15¼	14½	15¼	+ ½
XOMA			2546	22¾	22¼	22½	
Xicor			247	3¼	3	3	− ¼
YanEnS	1.52a	11	422	19½	19	19⅛	− ⅜
Yelowf	.76	48	1566	27¼	27	27	− ¼
YorkRs		22	323	15¼	14¾	14⅞	− ⅜
ZionUt	1.44	10	11	29	29	29	+ ¾

EUROPE

Financial stocks give lift to Frankfurt and Zurich

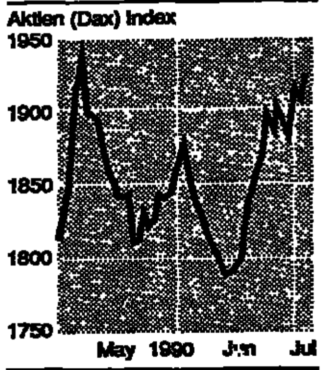
FINANCIAL STOCKS boosted Frankfurt and Zurich yesterday, while Madrid's general index passed the 300 level, *writes Our Markets Staff.*

FRANKFURT advanced, led higher by financial issues, said Mr Jens Wieking at Merck Finck. This followed AMB's proposed issue of shares at nearly twice their recent market value, the issue price reflecting the underlying assets of the insurer.

AMB, suspended on Tuesday, rose DM113 or 13 per cent to DM998, a high for the year, which compares with the issue price of DM1,630 that the Italian insurer, La Fondiaria, is prepared to pay to take its stake up to 5.8 per cent.

W.Germany

Aktien (Dax) index



Fellow insurers such as Colonia rose by up to 5 per cent, Allianz reaching a record DM2,885, up DM55, and Munich Re up DM105 at DM2,505. Banks responded too, especially Dresdner, which took a large chunk of an earlier AMB issue and has a good profit to book on the investment. It rose DM15 to DM449.50.

The FAZ index rose 6.94 to 814.26 at midsession, and the DAX closed 19.05, or 1 per cent, higher at 1,925.13. Volume rose to DM9.3bn from DM7.4bn.

Mr Wieking said the terms of Unity Bond issue, announced after hours, were a shade tight, but that the issue was expected to be a success.

With German corporate earnings prospects look fairly flat, the market has been relying on a continued fall in bond yields to trigger a late summer rally. But Mr James Cornish at County NatWest offers an alternative. County's research indicates that big investors such as the carmakers and utilities are making their capital investment decisions earlier than expected, and are likely to come out with orders soon.

This would boost earnings for capital goods specialists, such as Siemens, for turbines; Deutsche Babcock, power generation and pollution control; IWK for machinery and robotics; and KSB for pumps. Hochtief, the construction group, is included for "spadework", and Daimler for its breadth of transport vehicles.

ZURICH rose in lively, foreign-led trading, although late profit-taking eroded earlier gains, especially in the chemical sector. The Crédit Suisse index added 3.2 to 674.0.

Ciba-Geigy registered shares eased SFr10 to SFr3,160 after reaching an early high of SFr3,230. Banks and insurers were buoyed by hopes of lower domestic interest rates.

MADRID broke through the psychological 300 barrier, with the general index up 1.42 at 300.1. Foreign and domestic demand for construction, bank and electrical utility stocks continued to drive the rally, which began on the back of good macroeconomic data.

Some analysts predict a surge to 320 in a few weeks, said Mr Stephen Hughes of Nikko Securities, but a rally to that level by September, after the holiday period, was more likely, he added.

STOCKHOLM hit a second consecutive year's high, led by shares in Volvo and Asea. The Affärsvärlden General index rose 7.4 to 1,328.2, breaking Tuesday's record of 1,320.8, but volume remained thin.

Volvo restricted B shares rose SKr5 to SKr335 and free B shares rose SKr17 to SKr357 following Tuesday's announcement of an executive stock-option plan. Asea free Bs added SKr5 to SKr825, while its free As rose SKr15 to SKr830. One analyst attributed the climb to a steady succession of orders received by the company.

MILAN was submerged in gloom following Italy's defeat in the World Cup on Tuesday. Neither the publication late on Tuesday of June mutual funds information, showing the best overall inflow of funds for three years, nor slower inflation growth in June, was able to lift the market out of its depression. The Comit index *fell 4.44 to 736.94 in volume* estimated at L200-L220bn.

Local brokers also detected a shift in sentiment among foreign investors. Whereas last week *foreigners* had hoped for a short period of weakness to pick up stock, they were now looking for some strength to start reducing positions.

Fiat continued to slide, losing L130 to L9,740, following the company's poor forecast for 1990 late last week, while the threat of strike action over union wage claims weighed on other industrial stocks.

PARIS declined in thin trading as foreigners continued to look towards Germany. Worries over prospects for company earnings pulled the CAC 40 index 16.05 lower to 2,015.93, after moving within a 14-point range throughout the session.

Peugeot dropped again, falling FFr11 to FFr766, in volume of 258,950 shares. CCFA, the French carmakers' committee, revealed that Peugeot sales had plunged 16.5 per cent last month from June last year.

Perrier also extended its decline on worries about its water business, with a fall of FFr50 to FFr1,454 on volume of 33,850 shares. Exor, the holding company with a 31.8 per cent stake in Perrier, lost FFr85 to FFr1,745. Club Mediterranée lost FFr16 to FFr628 after Tuesday's late announcement of a fall in profits.

AMSTERDAM eased in quiet trading, with Wall Street's closure adding to the lethargic mood. The CBS Tendency index fell 0.9 to 120.6.

Nedlloyd, the transport and shipping group which was a stock market favourite a few months ago, continued to fall amid fears of poor first-half results. The stock closed Fl 2.40 down at Fl 72.30.

AMERICA

Toronto trading very light

TORONTO share prices finished higher in very light trading.

The composite index finished up 15.34 to 3,575.24. The volume of 10,938,000 shares was the second lowest this year after a volume of 10,287,000 shares on May 28. On both days trading was light, with US markets closed for holidays. Latest volume was 18,479,000 shares, and value was *C$108.6m* compared with C$190.8m. Advances outnumbered declines 275 to 217.

Ten of the 14 subgroups were higher, with gains by financial *services issues, mining stocks,* golds and energy issues. Consumer and industrial products issues traded flat.

North Canadian Oils fell ¼ *to 18. The company said it had* acquired about 99.4 per cent of Bankeno Resources under its C$4.25 a share offer. Bankeno did not trade, and closed unchanged at C$4.10.

London still rules in listings league

Tim Dickson analyses a factbook on European Community bourses

THE AGGREGATE market capitalisation of Luxembourg's Stock Exchange is more than 131 per cent of the Grand Duchy's gross domestic product (GDP); London's liquidity is five times greater than Athens'; and price/earnings ratios for the main continental markets of the European Community at the end of last year ranged from 11.7 in Amsterdam to 23.6 in Milan.

These figures can all be gleaned from the *1989* edition of European Stock Exchange Statistics*, a 75-page, fact-packed document published yesterday by the Brussels-*based Federation of Stock* Exchanges in the EC.

The authors stress that there is a long way to go before their aim – fully comparable data for stock market users – is achieved. Differences due to the double counting of volume, the separation of investment funds and companies, and the inclusion in some centres of intra-market dealings have been ironed out as far as possible. But Mr Malcolm Duncan of the Milan Stock Exchange says in his introduction: "Some markets are still unable or reluctant to give details which are of paramount importance for internationally active operators and investors . . . and other markets such as Germany are as yet incapable of giving a full breakdown of market volume."

The survey, nevertheless, contains much useful information. Although the number of UK companies listed dropped by 21 in 1989, for example, London still dominates the Euro*pean league with 39 per cent of* the aggregate total for the 12 EC countries.

The highest average market capitalisations are West Germany, *Amsterdam,* Milan and Paris, in that order – markets with a relatively low number of domestic listings and generally few new companies.

Many European exchanges, meanwhile, do not reflect their economic and industrial structure – notably Milan, Paris and Germany, where aggregate market capitalisation as a proportion of the country's GDP is respectively 18.1 per cent, 20.3 per cent (1988 figure) and 26.5 per cent. Luxembourg is an oddity because of its huge number of international investment funds listings; so London really tops the league with 78 per cent, followed by Amsterdam with 53.3 per cent.

Germany fares extremely well in the table comparing market turnover with domestic capital*isation; the extremely high* rate of 99.6 per cent was the source of some puzzlement at yesterday's press briefing. Mr Duncan admitted it was diffi*cult to explain this level of* liquidity "in view of the general wariness of German investors with regard to the equity market and the knowledge that quite a consistent part of aggregate market volume is not reported." Low ratios of several other stock exchanges in this regard – Milan and Brussels, for example – can be attributed to off-bourse deals.

The survey also covers the various junior markets, showing London's USM to be top with 448 companies and Germany's third exchange in second place with 394. A total of 1,432 companies had shares listed on EC junior markets in 1989, compared with 1,082 when the exercise was first carried out in 1987.

Luxembourg has by far the biggest bond market by size, mainly thanks to the number *of Eurobond listings, followed* by Germany and Italy. In spite of the considerable redemptions of UK gilt issues in recent times, London still dominates volume in fixed interest securities with 36 per cent of the total market value, followed by Paris and Germany.

**Available from 2 Rue du Midi, 1000 Brussels. Tel: (2) 513-0518.*

ASIA PACIFIC

Brighter interest rate outlook cheers market

Tokyo

THE MARKET was cheered by a stronger yen and a brighter outlook on interest rates, and share prices moved slightly *higher on better volume yesterday, writes Michiyo Nakamoto in Tokyo.*

The yen's rise to Y150 against the dollar calmed fears of higher interest rates and equities made a promising start. Share prices continued steadily higher for most of the day, but later came under selling pressure, and the Nikkei lost much of its early gains. The index finished up a modest 31.32 at 32,445.92. The high was 32,627.38 while the low was 32,398.70.

Rising issues were almost double the losers at 641 against 324 and a further 160 were unchanged. Turnover improved to 550m shares from the 450m traded on Tuesday.

The Topix index of all listed stocks gained 13.87 to 2,363.35 and, in London trading, the ISE/Nikkei 50 index rose 3.87 to 1,767.22.

The market was heavily influenced by arbitrage activity, as the yen's rise encouraged greater buying in index futures, which in turn triggered arbitrage buying on the cash market. There were growing hopes that the domestic currency could move even higher against the dollar, which would reduce the possibility of higher interest rates.

Investors no longer expected rates to go up too much, said Mr John Courtney at W I Carr.

There was active buying in a broad range of issues which had been badly hit by higher interest rates. These included the heavy industries, such as Mitsubishi Heavy Industry, which added Y19 to Y1,010, and Sasebo Heavy Industries, which rose Y30 to Y1,120.

Trading companies also benefited, with Mitsui and Co gaining Y32 to Y937 and C Itoh advancing Y28 to Y825.

There was enthusiasm for construction-related companies, which are likely to benefit from increased public spending. Among the actively *traded stocks was Okumura, a* general contractor which relies on public works for 60 per cent of its sales. Okumura was second in volume with 7.8m *shares and rose Y70 to Y1,990.* Nippon Hodo, the largest domestic road maker, gained Y150 to Y3,530.

Elsewhere, issues with good business performance remained in the spotlight. Komatsu, the second largest integrated construction machinery maker in the world, advanced Y30 to Y1,240. Investors favoured the stock because of the prospect of strong domestic demand for its products, which is expected to lifted Komatsu's profits in the year to March 1991.

Other high-priced issues that had been the focus of attention lately suffered profit-taking. Fanuc, a leading maker of numerical control equipment, lost Y120 to Y7,700 and Tokyo Steel Manufacturing fell Y110 to Y4,610.

Interest in companies based in the Osaka area gave the Osaka market support, but recent stars eased on profit-taking. The OSE average gained *96.42 to 35,810.90* and volume rose to 63m shares from Tuesday's 52m.

Roundup

A STRONGER Australian dollar boosted both of the Antipodean markets, while the trend in the rest of the Pacific Rim, *with the exception of Hong* Kong, was lower.

NEW ZEALAND advanced in heavy trading after a sharp fall in the NZ$ against the Australian *dollar triggered arbitrage* buying in both countries.

The Barclays index gained 22.19 to 1,801.42. Turnover was a healthy 13.5m shares valued at *NZ$32m compared with* Tuesday's 53m and NZ$62m – turnover had been distorted by a crossing of 45m shares in Robt Jones Investments, the property *investment* concern.

Dual-listed stocks made the biggest gains. Fletcher Challenge rose 4 cents to NZ$4.32 on turnover of 4m shares and Brierley Investments *jumped* 4 cents to NZ$1.82 on volume of 1.9m shares.

AUSTRALIA continued Tuesday's rise, boosted by *domestic buying at the start of* the fiscal year which began on July 1. Asian buying interest was also evident. The All Ordinaries index rose 28.3 to 1,541.1, *its highest level since March.* Turnover rose to 108m shares valued at A$278m from 88m shares or A$211m.

Blue chips gained in spite of *a stronger dollar. BHP rose 18* cents to A$9.72 and CRA, the diversified miner, was up 30 cents at A$12.55.

TAIWAN fell to its lowest level *in two years as* Wang Chien Hsien, the Finance Minister, reiterated that the 6 per cent stock transaction tax would not be cut. The weighted index tumbled 228.69, *or 4.7 per* cent, to 4,677.18, its lowest level since June 3, 1988, when it closed at 4,648.73. Volume rose to 848m shares valued at T$34bn from *794m* or T$33bn.

HONG KONG emerged unscathed from a bout of profit-taking after the 2.5 per cent rise over the previous two days. The Hang Seng index edged up 6.94 to 3,363.49, its third consecutive high since the October 1987 market crash. Turnover dipped to HK$1.85bn *from HK$2.16bn.*

SEOUL eased on profit-taking following its strong advance on Tuesday. The composite index fell 9.74 to 735.30. *Volume jumped to* Won260bn from Won111.9bn.

MANILA eased in light trading on steady selling following Monday's US acquittal of for*mer First Lady Imelda Marcos.* Late bargain-hunting took the composite index off the day's low to close at 837.82, down 14.63. Turnover rose to 80m *pesos from 77m pesos.*

SINGAPORE firmed in slack dealings after Tuesday's holiday. But the decline in foreign investment and the prospect of *a heavy stream of rights issues* and other cash calls from Singaporean and Malaysian companies still preyed on investors' minds. The Straits Times Industrial index gained 3.90 to 1,528.25. Volume was S$117m after S$96m on Monday.

KUALA LUMPUR was mostly steady. The composite index *crept up 0.03 to 586.39* while turnover slipped to 22m shares from 24m.

SOUTH AFRICA

GOLD shares showed little further response, after Tuesday's late rally, to the rise in the bullion price above $360. The closure of US markets also inhibited trading. The JSE all-gold index fell 7 to 1,567 while the overall share index added 18 to 3,126. Diamond share De *Beers rose R2.50 to 94.50.*

FT-ACTUARIES WORLD INDICES QUARTERLY VALUATION

The market capitalisation of the national and regional markets of the FT-Actuaries World Indices as at JUNE 29, 1990 are expressed below in millions of US dollars and as a percentage of the World Index. *Similar figures are provided for the preceding quarter.*

The percentage change for each Dollar index value since the end of the calendar year is also provided.

NATIONAL AND REGIONAL MARKETS (Figures in parentheses show number of stocks per grouping)	Market capitalisation as at JUNE 29, 1990 (US$m)	% of World Index	Market capitalisation as at MARCH 30, 1990 (US$m)	% of World Index	% change in $ index since DECEMBER 29, 1989
Australia (80)	93356.2	1.34	88171.0	1.35	−6.51
Austria (19)	14778.6	0.21	15838.9	0.24	+40.67
Belgium (61)	51316.8	0.74	48211.8	0.74	−2.48
Canada (119)	145580.8	2.09	147337.4	2.26	−9.63
Denmark (33)	26699.4	0.38	25776.4	0.40	+6.39
Finland (26)	3380.6	0.05	3296.5	0.05	+1.28
France (124)	230219.9	3.30	217670.8	3.34	+2.94
West Germany (92)	306509.4	4.39	318871.0	4.89	+7.98
Hong Kong (48)	60501.5	0.87	55091.7	0.85	+15.77
Ireland (17)	10716.6	0.15	10179.7	0.16	+4.23
Italy (96)	126183.3	1.81	113767.1	1.75	+9.88
Japan (454)	2386210.1	34.20	2180441.1	33.48	−25.40
Malaysia (35)	7773.2	0.11	7817.6	0.12	+0.36
Mexico (13)	9796.9	0.14	7614.9	0.12	+52.32
Netherland (43)	106792.3	1.53	105186.4	1.62	−1.43
New Zealand (17)	9533.1	0.14	8657.7	0.13	−9.90
Norway (23)	8199.7	0.12	7214.4	0.11	+17.72
Singapore (25)	16603.0	0.24	15893.8	0.24	+13.06
South Africa (60)	50796.4	0.73	54538.9	0.84	−9.99
Spain (42)	76057.8	1.09	62253.9	0.96	+4.82
Sweden (34)	32568.0	0.47	25418.5	0.39	+17.07
Switzerland (67)	107611.9	1.54	84233.6	1.29	+11.73
United Kingdom (304)	715840.7	10.26	640766.4	9.84	+5.71
USA (537)	2381001.4	34.12	2268523.0	34.83	+1.14
Europe (981)	1816875.1	26.04	1678423.4	25.77	+6.02
Nordic (116)	70847.7	1.02	61643.8	0.95	+11.84
Pacific Basin (659)	2573977.2	36.89	2356072.8	36.18	−23.92
Euro – Pacific (1640)	4390852.2	62.92	4034496.3	61.95	−13.87
North America (656)	2526582.2	36.21	2415860.4	37.10	+0.46
Europe Ex. UK (677)	1101034.4	15.78	1037657.0	15.93	+6.28
Pacific Ex. Japan (205)	187767.1	2.69	175631.7	2.70	+1.41
World Ex. US (1832)	4597026.4	65.88	4243987.5	65.17	−13.61
World Ex. UK (2065)	6262187.1	89.74	5871744.1	90.16	−10.47
World Ex. So. Af. (2309)	6927231.4	99.27	6457971.6	99.16	−9.04
World Ex. Japan (1915)	4591817.7	65.80	4332069.4	66.52	+2.55
The World Index (2369)	6978027.8	100.00	6512510.5	100.00	−9.04

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	WEDNESDAY JULY 4 1990								TUESDAY JULY 3 1990					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1990 High	1990 Low	Year ago (approx)
Australia (80)	147.02	+2.7	122.11	139.21	125.89	121.69	+1.8	5.73	143.20	119.30	136.82	122.91	119.48	158.31	125.85	133.20
Austria (19)	262.69	+0.8	218.19	248.75	224.94	224.77	+0.4	1.29	260.56	217.09	248.96	223.66	223.86	285.63	193.15	124.59
Belgium (61)	152.95	+0.2	127.03	144.82	130.96	127.68	−0.1	4.53	152.67	127.20	145.86	131.04	127.82	160.02	132.11	130.38
Canada (119)	139.13	+0.4	115.56	131.73	119.12	117.07	+0.4	3.46	138.55	115.44	132.37	118.92	116.63	153.61	130.37	141.19
Denmark (33)	262.53	+0.7	218.05	248.60	224.80	223.88	+0.4	1.29	260.71	217.21	249.10	223.78	223.04	262.53	238.69	207.77
Finland (26)	135.57	+0.1	112.60	128.38	116.09	109.70	−0.5	2.50	135.41	112.82	129.38	116.23	110.28	152.29	129.99	141.95
France (124)	161.04	−0.4	133.75	152.48	137.88	139.50	−0.7	2.94	161.65	134.68	154.44	138.74	140.54	168.85	141.69	123.42
West Germany (92)	138.65	+1.3	115.16	131.31	118.72	118.72	+1.0	1.89	136.90	114.06	130.81	117.50	117.50	138.65	122.05	92.83
Hong Kong (48)	139.35	+0.1	115.74	131.95	119.32	139.25	+0.1	4.51	139.16	115.94	132.96	118.45	139.11	139.35	112.24	97.86
Ireland (17)	191.55	+0.6	159.10	181.38	164.02	165.84	+0.3	2.64	190.43	158.66	181.94	163.45	165.43	196.57	172.72	137.99
Italy (96)	106.56	−0.5	88.51	100.90	91.24	96.05	−0.8	2.45	107.10	89.23	102.32	91.93	96.82	109.26	91.85	86.75
Japan (454)	150.82	+1.4	125.27	142.81	129.16	142.81	+0.5	0.59	148.72	123.91	142.10	127.67	142.10	197.26	124.40	179.38
Malaysia (35)	231.81	+0.5	192.53	219.49	198.49	241.36	+0.4	2.25	230.65	192.17	220.37	197.98	240.43	245.32	204.15	182.04
Mexico (13)	497.50	−0.5	413.21	471.09	426.00	1556.22	−0.6	0.33	500.24	416.78	477.95	429.38	1566.16	549.86	324.53	240.13
Netherland (43)	142.61	−0.2	118.45	135.04	122.12	120.64	−0.4	4.67	142.84	119.01	136.47	122.61	121.16	145.66	130.43	121.50
New Zealand (17)	66.34	+1.1	55.10	62.82	56.80	59.53	+1.0	7.45	65.61	54.67	62.69	56.32	58.95	75.36	59.57	66.07
Norway (23)	237.85	+0.7	197.55	225.23	203.67	204.44	+0.3	1.56	236.11	196.71	225.59	202.67	203.74	245.90	202.34	183.80
Singapore (25)	202.46	+1.1	168.16	191.71	173.36	169.83	+0.4	2.05	200.35	166.93	191.43	171.97	169.15	207.93	179.70	157.79
South Africa (60)	181.48	+2.7	150.74	171.84	155.39	159.64	+1.0	3.73	176.79	147.29	168.91	151.74	158.05	251.39	170.00	153.21
Spain (42)	175.62	+0.9	145.87	166.30	150.38	134.38	+0.6	3.96	174.09	145.05	166.34	149.43	133.54	175.62	132.84	151.71
Sweden (34)	232.74	+1.3	193.31	220.39	199.30	206.13	+1.0	1.96	229.83	191.49	219.60	197.28	204.15	232.74	173.89	169.32
Switzerland (67)	108.45	+1.1	90.08	102.70	92.88	93.53	+1.0	2.21	107.27	89.37	102.50	92.09	92.64	108.45	88.75	84.71
United Kingdom (304)	170.19	−0.4	141.36	161.14	145.72	141.36	−0.7	4.82	170.79	142.30	163.17	146.59	142.30	170.79	139.87	144.98
USA (539)	145.52	+0.0	120.87	137.80	124.61	145.52	+0.0	3.34	145.52	121.24	139.04	124.91	145.52	148.55	130.61	130.67
Europe (961)	153.43	+0.1	127.44	145.29	131.38	129.19	−0.1	3.54	153.21	127.66	146.39	131.52	129.38	153.43	135.57	122.23
Nordic (116)	214.73	+0.9	178.35	203.33	183.86	179.11	+0.8	1.89	212.73	177.24	203.25	182.60	178.03	214.73	185.01	166.37
Pacific Basin (659)	150.13	+1.4	124.69	142.16	128.55	141.58	+0.5	0.91	148.03	123.33	141.43	127.06	140.81	192.75	124.63	174.56
Euro – Pacific (1640)	151.67	+0.9	126.14	143.80	130.04	137.16	+0.3	2.00	150.53	125.42	143.81	129.20	136.81	174.18	130.35	153.71
North America (658)	145.04	+0.0	120.48	137.35	124.21	143.64	+0.0	3.34	145.00	120.81	138.56	124.48	143.60	147.87	131.02	131.20
Europe Ex. UK (677)	141.78	+0.5	117.76	134.28	121.42	121.48	+0.2	2.72	141.12	117.57	134.86	121.16	121.26	141.78	124.81	107.74
Pacific Ex. Japan (205)	141.02	+1.5	117.13	133.55	120.76	123.99	+1.0	4.96	138.89	115.72	132.72	119.23	122.70	141.02	122.53	116.89
World Ex. US (1832)	151.93	+0.9	126.19	143.88	130.10	137.08	+0.3	2.06	150.59	125.47	143.89	129.27	136.71	173.77	131.30	153.32
World Ex. UK (2067)	146.41	+0.7	121.61	138.65	125.38	139.61	+0.3	2.23	145.40	121.14	138.98	124.82	139.23	162.00	130.80	144.15
World Ex. So. Af. (2311)	148.32	+0.6	123.19	140.46	127.01	139.59	+0.2	2.48	147.47	122.87	140.92	126.60	139.35	161.84	131.95	144.16
World Ex. Japan (1917)	148.81	+0.2	123.60	140.92	127.44	138.33	+0.0	3.49	148.57	123.78	141.96	127.54	138.32	148.81	134.62	127.57
The World Index (2371)	148.52	+0.6	123.36	140.64	127.18	139.73	+0.2	2.49	147.65	123.02	141.08	126.75	139.48	162.05	132.25	144.21

US market closed July 4.